On Winning

How to Transform a Country from Third-World to First.

Shannon Challender

The difference between Heaven and Earth is that in Heaven property does not exist.

Thesis: Liberty / duty correlative relationships are the economic and ethical foundation necessary to transform a country from third-world to first. The difference between third-world and first-world countries is not a relative amount of material objects present in each. Wealth is the difference, and material objects alone are not “wealth.” To have any meaning of worth, “wealth” must be a word that incorporates the concept of a liberty / duty correlative relationship between humans in the use of physical objects and the space occupied by them across time. What is a man who collects boundless material objects if he cannot exercise liberties with them; certainly not wealthy - how shall one even collect boundless material objects if one cannot exercise liberties with them.

This paper will explain undeniable objective conditions that show Liberty / Duty correlative relationships are necessary for wealth to exist. The truth, the Law of science, as it relates to Liberty / Duty correlative relationships, is an economic and ethical Law, and requires information flow to establish. This paper shall use an epistemological[[1]](#footnote-1) analysis of economics and ethics to show undeniable validity in the conclusion that wealth requires a Liberty / Duty correlative relationship - without having to miracle oneself into a major premise about economics or ethics, nor use correlations to derive the Law.

I. THE LAW

Liberty / Duty correlative relationships exist because the Law exits. The Law is natural. Would anyone dare say the law of gravity is not natural? The Law is not created by man. The Law exists whether mankind exists or not, whether government exists or not, whether it is discovered by man or not. For example, the law of gravity exists in nature regardless of one’s belief in God, or ideology of government, and it existed prior to being discovered.

The Law equally constrains all[[2]](#footnote-2), but unequally effects all, just as the law of gravity equally constrains all but unequally effects all. The unequal effect of the Law is immediately experienced at birth by all humans. No one chooses the year or place they are born. No one chooses their genetics. In the earliest years of life no one chooses the people who will surround them, the information they will be exposed to, or the rules people live by. Humans are (created) equal in our lack of choice to the unequal conditions we are born into.

Every pound of flesh is a pound of flesh (equal constraint), and yet the *effect* of the law of gravity on one who is 6 foot and 160 pounds is different from one who is 6 foot and 200 pounds.

Assuming the same genetic and environmental conditions of height, leg length, quality training, nutrition, body fat %, health, and ratio of fast twitch / slow twitch muscle fiber between the two, the 200 pound man will run a marathon at a slower time than the 160 pounder. The extra weight on the one who is 200 pounds, even with the same angles at the joints, will require greater effort to move the 200 pound man down the road beyond his bodily energy stores, even though the energy store too are scaled up in proportion to the 40 pounds extra weight - equal constraint but unequal effect.

If one wishes for a succinct definition for the Law one could replace the words “the Law” with “the objective conditions of reality, as we know it, that equally constrain all but unequally effect all.”

A. Economics

1. The equal constraint of the Law as action.

Humans act.[[3]](#footnote-3) This means humans display intentional behavior. One who correctly applies this axiom to any statement about economics will never again have to miracle oneself into a major premise about economics. “Humans act” is an a-priori true synthetic proposition about **the use** of limited resources by humans.[[4]](#footnote-4) Human action is what economics is about and will form the basis of this paper’s method of epistemological analysis.

This paper will use the logic of action - praxeology - to determine valid propositions about economics and ethics[[5]](#footnote-5). Economics and ethics are nothing if not about **the use** of limited resources: our bodies, time, space, and objects. The logic of action is that humans possess knowledge about **the use** of limited resources not derived from observation yet constrained objectively (meaning the knowledge is axiomatic - the knowledge is true / valid without testing required to confirm a hypothesis).[[6]](#footnote-6)

The knowledge which all humans possess which exists prior to observational evidence will be referred to as “a-priori knowledge” or “a-priori true knowledge” and it can be synthesized to form true (valid) propositions about **the use** of limited resources. A-priori knowledge is grounded in reflective cognition, in one’s understanding of oneself as a knowing subject.[[7]](#footnote-7) This reflective understanding yields certain propositions as themselves self-evident material axioms (or implied in self-evident material axioms).[[8]](#footnote-8) This paper shall define a self-evident material axiom as one which no one can deny its validity without self-contradiction, for in attempting to deny it one already presupposes its validity.[[9]](#footnote-9) The self-evident nature of the axiom = constraint by objectivity.

“Humans act,” is a self-evident proposition, for its truth cannot be denied, since the denial would itself have to be categorized as an action.[[10]](#footnote-10) Stated differently, one cannot deny that one acts. To deny that one acts is itself an action.

Observational evidence can only reveal what *is*; there is nothing in observational evidence that would indicate *why things must be* in **the use** of limited resources by humans.[[11]](#footnote-11) The reader must separate in his mind the difference between what *is* and *why things must be* in **the use** of limited resources. Economics is not a study to just determine what *is.* Determining what *is* is a matter for statistics, or data collection, i.e.: for recording ones observations. Economics is more than data collection it is about the study of ***the use*** of limited resources by humans in the past and present and anticipating the future to indicate *why things must be.* Praxeology explains *why things must be*.

The reader should understand a-priori knowledge exists prior to observational evidence but **concerns** observational evidence such as when a-priori knowledge is demonstrated vis a vie interpreting one’s observations of another human’s use of limited resources as actions.

When humans act there are only bodily movements to be observed but no such thing as actions to be observed.[[12]](#footnote-12) Therefore “humans act” is a synthetic proposition about action not derived from observation; the proposition is synthesized from the application of reflective understanding to interpret an observation.[[13]](#footnote-13) The reflective understanding concerns the interpretation of bodily movements, or a lack of bodily movements, as action, a display of intentional behavior.[[14]](#footnote-14) A human observing another human can make a judgment that what was just observed was an action, as it most likely would have been if the observer had done it himself.

The ability to articulate the a-priori knowledge of what action is provides the truth from which a proposition may be synthesized to pose a statement (as a major premise) to logically apply an observation (as a minor premise) to deduce (as a conclusion) the use of a limited resource by a human as an action. To better understand how action is understood by a-priori knowledge, one can explore further into the insights of the axiom.

The insights in this axiom of action are not necessarily self-evident; and it is these insights which provide the foundation for certain theorems of economics such as the concept of marginal utility, which will be explored later in the paper.[[15]](#footnote-15) The very heart of economics - values, ends, means, choice, preference, cost, profit, loss - are implied in the axiom of action.[[16]](#footnote-16)

With every action an actor pursues a goal, and that whatever the goal may be, the fact that it was pursued by an actor reveals that he must have placed a relatively higher value on it than on any other goal of action that he could have thought of at the start of his action.[[17]](#footnote-17) In order to achieve his most highly valued goal an actor must interfere or decide not to interfere (which is also an intentional interference) at an earlier point in time in order to produce a later result, and such interferences invariably imply the employment of some scarce means - at least those of the actor’s body, its standing room, and the time absorbed by the action.[[18]](#footnote-18)

These means must also have value for an actor - a value derived from that of the goal - because the actor must regard their employment as necessary in order to effectively achieve the goal; and that actions can only be performed sequentially and always involve the choice of taking up that one course of action which at some given time promises the most highly valued results to the actor and excluding at the same time the pursuit of other, less highly valued goals.[[19]](#footnote-19) As a consequence of having to choose and give preference to one goal over another - of not being able to realize all goals simultaneously - each and every action implies the incurrence of costs (forsaking the value attached to the most highly ranking alternative goal that cannot be realized or whose realization must be deferred) because the means necessary to attain it are bound up in the production of another, even more highly valued goal.[[20]](#footnote-20)

Finally, at its starting point every goal of action must be considered worth more to the actor than its cost and capable of yielding a profit (a result whose value is ranked higher than that of the foregone opportunity), and that every action is also invariably threatened by the possibility of a loss if an actor finds in retrospect that contrary to his expectations the actually achieved result has a lower value than the relinquished alternative would have had.[[21]](#footnote-21)

Like the axiom itself these categories of action - values, ends, means, choice, preference, cost, profit, loss - are not derived from observation.[[22]](#footnote-22) Rather, that one is able to interpret observations in terms of such categories requires that one already knows what it means to act even if one cannot articulate this knowledge as a-priori knowledge of an actor.[[23]](#footnote-23) Though, the ability to articulate a-priori knowledge allows for economic models where major premises are possible to be valid from the beginning of the argument. This leads to the study of the use of limited resources being cognitively grounded more firmly than when one miracles oneself into a major premise.

2. The equal constraint of the Law as our physical reality.

i. Temporal Space

The constraint of the Law as action implies the concept of time and space. Humans Act (at a moment in time and in space). Here is where a-priori knowledge mixes with observational data. Acting requires a choice, a situation that exists before the choice, a situation that exists while acting on the choice, and a situation that exists after the choice has been made.[[24]](#footnote-24) This teleological measurement of circumstances of action is time, ie: the relationship between the “before” “during” and “after” circumstances of action.

There is also a teleological measurement of circumstances in action that existed with relation to other objects. This is space, the “where” of the action. The “where” is a relative measurement of location between objects. Like time, action occurs in a measurement of circumstances constrained by an actor’s lack of omnipresence. One cannot argue that one acts everywhere at once. If one were to be everywhere at once then there would be no action. No circumstances between objects can change if one were everywhere at once. Lacking omnipresence then is a reflection of a teleological measurement of occupation of a particular space to act in.

ii. Exclusive Spacial Relationship

Humans Act at a moment in time and in physical space, and act in an exclusive spacial relationship to all other actors. One cannot argue that one acts within the same physical space at the same time as another actor, such as a spiritual wraith.[[25]](#footnote-25) Actions require space and will necessarily make use of space prior to other actors at a given moment in time when space is appropriated. Necessarily, the appropriation is exclusive of all other actors. Teleologically, according to the action axiom and its implication of the necessary truth of temporal space, actions must take place sequentially. Because space must be appropriated by one actor at one point in time and at that point in time that actor is the only possible appropriator of the space, the space is at that moment in the exclusive use by the first appropriator - an undeniable necessity of the teleological order of actions in the temporal space actors find themselves. Therefore, because an actor cannot occupy simultaneously the same physical space as any other actor, at some point in time all physical space is originally appropriated by a single actor if appropriated at all.

Even if we were all genetic clones, due to our reception of information in different physical spaces, our knowledge, which may be only miniscule in difference, must necessarily, when synthesized, create different action choices, even if only miniscule in difference between the action choices of others. The unequal effect of the law is that every human will have differing values, ends, means, choices, preferences, profit, and loss. And every human will have a different mental image and understanding of words and phrases because of the necessary difference in observations which humans link to words to represent the observations.[[26]](#footnote-26)

3. The equal constraint of the law as the a-priori of argumentation

The ability to synthesize knowledge begins with the ability to categorize actions. Humans are capable of argumentation and hence know the meaning of truth and validity.[[27]](#footnote-27) One cannot deny that one can argue, as the very denial would be an argument.[[28]](#footnote-28) Nor can one deny knowing what it means to make a truth or validity claim without implicitly claiming the negation of the proposition to be true.[[29]](#footnote-29) The meaning of truth and validity is not derived from observation (though it concerns observations); there is only verbal behavior to be observed (or heard) and reflective cognition is required in order to interpret such behavior as truthful arguments.[[30]](#footnote-30) The following is how the a-priori knowledge of the meaning of truth and validity is used to construct a statement.

In each and every action, an actor identifies some specific situation and categorizes it one way rather than another in order to be able to make a choice. It is this which ultimately explains the structure of even the most elementary propositions (like “Socrates is a man”) as consisting of a proper name or some identifying expression for the naming or identifying of something and a predicate to assert or deny some specific property of the named or identified object. It is this which explains the cornerstones of logic: the laws of identity and contradiction. And it is this universal feature of action and choosing which also explains our understanding of the categories “there-is,” “all,” “some,” “and,” “or,” “if-then,” and “not.” One can say of course, that something can be “a” and “non-a” at the same time, or that “and” means this rather than something else. But one cannot undo the law of contradiction and one cannot undo the real definition of “and.” Simply by virtue of acting with a physical body in physical space we invariably affirm the laws of identity and contradiction and invariably display our true constructive knowledge of the meaning of “and” and “or.”[[31]](#footnote-31)

All propositions are essentially an argument, a syllogism, created with a first step of cognitively identifying a major premise derived from an actor’s a-priori of argumentation, his use of the meaning of truth concerning his observations (or something sensed): Without the a-priori of argumentation an actor could make no proposition. Even if an actor lies or gets the major premise wrong, his ability to make a proposition springs forth from his a-priori of argumentation. The meaning of any major premise comes from the categorization of situations in order to make a choice. To propose that “this is that” or “this is not that” one must understand the meaning of truth. To not understand the meaning of truth is to lack the ability to categorize. To lack the ability to categorize is to lack the ability to act, to behave intentionally.

Economic propositions require a major premise which concerns observational evidence beyond what *is*. An economic proposition is a syllogism with a major premise concerned with an interpretation of *why things must be*. The equal constraint of the Law is that a **valid** economic proposition will include implicitly or explicitly a-priori true knowledge and the a-priori of argumentation to explain *why things must be* according to values, ends, means, choice, preference, cost, profit, loss.

Any valid proposition or argument must begin with a valid major premise. Though a proposition, an argument, may be syllogistically correct (logical) it may not necessarily be valid. Validity goes beyond a logical deduction from a major premise. Validity goes to the major premise itself. A valid major premise concerning economics will necessarily be constrained by the logic of action, both the a-priori knowledge of an actor and the a-priori of argumentation (even if a human lacks the ability to articulate this.)

i. Uncertainty in Causation

Human action is choosing to act on less than perfect information, or uncertainty, due to a lack of omniscience and omnipresence. Choice as understood by the a-priori of argumentation allows humans to act on categorized situations. Choice as further understood by temporal space and the teleological nature of acting may be restated as a decision on the options without knowing the future based on past categorizations of observations. The very nature of choice is a result of not knowing the future because to know the future is to take away choice.[[32]](#footnote-32) True knowledge of the future would require pre-established teleological conditions for all humans such that for an actor to know the future an actor would necessarily have no will, no ability to choose because for the future to be known it would have to be set and all humans’ actions would have to be fixed in advance.[[33]](#footnote-33) An actor would instead be a part of a machine reacting to stimuli to trigger movement as part of their own known period of time/space in which they would move at set triggers (even if they didn’t have complete knowledge of all places and times).[[34]](#footnote-34) As humans are able to use the a-priori of argumentation to categorize actions, one cannot argue that the future is known, or else one could not categorize actions, as actions would already be categorized as a necessity for the future to be known.

This lack of knowing the future combined with a lack of omniscience and omnipresence due to the teleological nature of acting in temporal space means actors do not have what this paper will refer to as perfect information. A lack of perfect information is this paper’s phraseology for not knowing the future to a 100% certainty. Lack of perfect information is an inability to predict causation with 100% certainty. In essence then when an actor makes a choice to cause a change in circumstances to achieve a higher value than his other choice(s) the actor is making choice on a belief in causation that is less than 100% certain in predicting the future.

Belief in causation is a reflection of the synthesis of knowledge (received, retained, and recalled information[[35]](#footnote-35)) to most likely bring about a result, an intended goal or end. More specifically, a belief in causation is from a synthesis of knowledge (retained information will not be perfect information about the future) to predict the future accurately enough to make a profit (achievement of a higher value than the status quo and hopefully higher than the next highest value of an alternate choice). Predicting the future accurately enough (less than 100% certainty) to make a profit is how this paper will define entrepreneurial thinking or in the alternative, wisdom.

An actor’s lack of perfect information means actors experience a level of - albeit perhaps only mild - surprise when actors discover information.[[36]](#footnote-36) If it were not surprise then it would be a sign actors knew the future.[[37]](#footnote-37) The received, retained, and recalled information, or knowledge, together with the a-priori of argumentation and the a-priori knowledge of an actor are how an actor makes choices. Economically speaking, this is why the term “incentives” can be misleading. Because knowledge, or rather the synthesis of knowledge (wisdom/entrepreneurial thinking) form the belief of causation from which actors make choices, without the knowledge of how to attain the incentive (the higher value end) or the ability to synthesize the knowledge effectively to form a belief of causation worth acting on, an incentive is unattainable.[[38]](#footnote-38)

When knowledge of the causation of wealth differs because of the variation in categorizing observations, a variation in time preference emerges.

ii. The Unequal Effect of the Law on Time Preference

Implied in the very definition of space and time is that it is three dimensional. Academically, one may isolate a one or two dimensional cause/result problem but our physical reality involves multiple humans acting within a reality where nature itself changes on a moment to moment basis. Belief in causation requires more and more knowledge to synthesize a cause/result action choice(s) the further out in time from the present the end is to be achieved because more and more variables exist. As more and more events/variables transpire between the present and a future end, additional entropy is added to one’s decision making or deduction process.

Time preference is how this paper will refer to the reflection of an actor’s belief in causation as it relates to higher or lower entropy which affects the level of risk.[[39]](#footnote-39) The higher the time preference means an actor’s less subjectively riskier actions will come in the immediate future rather than the distant future because the entropy of “seeing” into the future is too great and hence the risk too great than the more likely achievable value of the immediate future. If the human lacks the ability to lower the entropy of “seeing” further out in time so as to see causation further into the future the human will act with high time preference and his actions will always be toward a more immediate causation.[[40]](#footnote-40)

Acting to cause a result further into the future via a belief in causation requires a lower time preference. Low time preference comes as a result of taking action to lower the normal entropy of “seeing” causation in the future. The education of the human as to causation further into the future results in the human’s ability to act to cause a result further into the future (an end with higher value than a more immediate end).

The actions in time space reflect what the actor’s utility is. This paper defines an actor’s utility as the sum of the time preference for values, preference, means, ends, choice, profit and loss (or risk tolerance). The *effect* of the logic of action (a-priori true knowledge and the a-priori of argumentation) given the implications of temporal space and uncertainty in causation and necessarily differing levels of knowledge (even if only slightly) results in subjective utility. “Utility is subjective” is an objectively true statement that exists prior to any application of genetic predisposition theories.[[41]](#footnote-41)

iii. The Unequal Effect of the Law on Capital and Demand

Capital is the limited resources used to achieve a goal, or an end. The more capital, the more ends one can achieve. This paper will define capital as the time, knowledge, people, and objects used to achieve an end. Objects used to achieve an end are capital goods, savings, or a medium of exchange. These examples are all physical manifestations of the accumulation of time to be used to achieve an end.[[42]](#footnote-42) A capital good in the form of a fishing net can be thought of as the time it took to construct it (to include the time it took to think up or gain the knowledge of it). The capital good can also be thought of as the time it allows me to achieve the goal I wish, eg: instead of taking all day to catch 3 fish, now it only takes 1 hr.

Once the owner of a fishing net begins to trade his excess fish for other goods or services, the capital of the net can be thought of in terms of his demand for the other goods and services. Perhaps if he were to produce these other goods and services on his own, he would have to expend resources he’d rather not. One might have to spend 10 hrs to chop a pile of wood but if one could instead trade 5 fish, or the equivalent of 4 hrs of time, one can have a pile of wood which someone else has chopped. Even if one liked catching fish without a net, perhaps chopping wood is too undesirable, so one may have a greater demand to escape wood chopping than catching fish the traditional way.

Demand is at its most rudimentary level denominated as the time necessary to achieve the end. This is very important to understand. Every action requires time and man must occasionally consume something.[[43]](#footnote-43) Time is scarce.[[44]](#footnote-44) Hence present or earlier results are and invariably must be valued more highly than future or later results of the same conditions[[45]](#footnote-45). Man will only exchange a present value against a future one if he anticipates increasing his future well being[[46]](#footnote-46). Capital outside one’s own body shortens the amount of time necessary on one actor alone by using the time manifested in other physical objects as a time savor.[[47]](#footnote-47)

Where behavioral economics identifies a negativity heuristic[[48]](#footnote-48) to explain why people do not act to change the status quo, praxeology identifies belief in causation to explain what is required to cause an actor to make different choices than those currently in the status quo.[[49]](#footnote-49) Once the human gains the knowledge of the capital good, perhaps for the benefit of saving time, perhaps for the benefit of other goods or services to be had, the human evolves his behavior in accordance with his utility. But for certain, when causation is known, such as how to use capital to achieve a higher valued end, a human will act accordingly.[[50]](#footnote-50)

The very use of capital to produce an “end” results in knowledge. This knowledge may be synthesized the next time one wishes to achieve an end. Knowledge of multiple causations increases as capital usage increases. An “end” may in fact be another source of capital to assist in accomplishing another goal. As more “ends” are produced, more knowledge is gained. At some point the aggregate knowledge of all actors becomes more than one actor alone can learn in his lifetime.

Even well before expending a lifetime to learn all the knowledge on earth, an actor who wishes to increase his profit (subjective wealth) will and necessarily must rely on other actors who have knowledge he does not in order to cooperate to produce greater and greater wealth. This cooperation can be thought of as the division of labor: actors cooperating with each other to use their capital (time, physical objects, and knowledge) to enable the creation of wealth that no one actor could achieve in his lifetime, let alone early enough in his life to enjoy the rest of his lifetime.[[51]](#footnote-51)

Within an increasingly complex division of labor, time preference is seen in an actor’s choices which reflect the actor’s belief in causation and/or his willingness to risk his capital by cooperating with actors who have skills he either hasn’t learned, or doesn’t have a comparative advantage, or competitive advantage in exercising. This unequal effect of the Law means that a human cannot create the wealth he wishes by his two hands, so if he wishes more wealth than he can create with his two hands he must have an understanding of how to cooperate with others to create the wealth he wishes. Cooperation is a consenting relationship to further goals. Cooperation is the opposite of interference. Interference prevents cooperation.

B. Ethics

Objectively true ethics is the study of non-interference in temporal space. Objectively true ethics has objectively true elements: 1) the a-priori knowledge of action; 2) the actions are made from decisions springing forth from the a-priori of argumentation; 3) actions occurs over a period of time and space which mean they are measurable; and 4) interference by other humans is possible. Any other context of the word ethics transforms it into a form of subjective utility, such as when a judgment is made, eg: in addressing the moment one acts to not interfere.[[52]](#footnote-52) An action to not interfere is an intention. And an intention is in accordance to utility. Utility is subjective.

The equal constraint of the Law on ethics is what the logic of action and the observable circumstances in temporal space measurements mean for humans attempting to cooperate instead of interfere: humans will be unequally effected in their use of limited resources. The use of limited resources will be unequal and require liberty / duty correlative relationships[[53]](#footnote-53) to achieve non interference by other humans.

The unequal effect of the law is that acting so categorized as to not interfere with others’ use of limited resources is a utility which is subjective. Perhaps the utility is from a fear of reciprocal retribution. Perhaps the utility is from a moral principle. Either way the action will be based on a less than 100% certain knowledge of causation in one’s own action, and the categorization of other humans’ actions as utility across time and space, so as to make a choice of actions to not interfere within the same period of time and space as someone else. Of course, those other humans will also be acting on less than 100% certainty in the causation of their actions.

The subjective nature of acting to not interfere involves the categorization of the actions of others as a use of limited resources across time and space that should not be interfered with. This is the context for liberty: the identification of the use of an object (one’s body, land, minerals, particles in the air, tools, etc.) across time and space by another so as to not interfere across that same time and space.[[54]](#footnote-54)

The concept of liberty is present when a human uses an object (including ones own body) across time and space and the potential for interference by another human exists. Liberty is the concept of a use of an object without interference by another human. If one were the only human on a deserted island one could use whatever one wished without any interference by another human. The concept of using an object without interference by another human would never exist if only one human were on the island. It is the conceptualizing of non-interference by other humans that the term liberty embodies.

Liberties are equally constrained by the Law. A liberty is a use of an object; an action involving an object which means a liberty exists and is measured in temporal space. As a human is not omniscient nor omnipresent his liberty exists by definition in each and every moment in which that liberty is being exercised with that space which is used or appropriated. Liberty then must either account for the movement or potential movement of objects across time and space or else liberties are limited to only what an actor uses, appropriates, in only one moment - essentially if liberty does not extend across time and space then a liberty could only be that which he can be perform within his body - perhaps his thoughts are the only liberties he may exercise. Such a reductio ad absurdum speaks for itself: we humans could not live and certainly not gain wealth if such were true.

Liberty then is about movement across time and space un-interfered with by other humans. And movement is about a measurement. Measurements are relative to the action. The measurements will be by time (circumstances before, during, and after the action) and by space (circumstances in relation to other objects before, during, and after the action). This is a necessary equal constraint by the Law.

Liberties are unequally effected by the Law. To understand the unequal effect of the Law requires understanding that a liberty exercised in a different time or in a different space is not an equal liberty to any other human’s. To say different is to violate the laws of physics. One may say “I have the same liberty as someone else” but that does not make it so. If one actor exercised a liberty at point *x* and time *y* another may not also do the same. Because liberty is a measurement of a use of an object in time and space un-interfered with by another human, the unequal effect of the law means no liberty is equal as no actor can act in the same (equal) time **and** space.

In common parlance the term liberty may be used to mean that one exercises a seemingly equivalent series of connected actions across time and space as someone else. But one should recognize it is not at the same time in the same space.[[55]](#footnote-55) The common parlance is not distasteful but it is not useful in addressing the equal constraint of the Law and the unequal effect of the Law on liberties. Liberties, when precisely explained by addressing the equal constraint of the Law necessitates the ever so slightly painful dissociation from common parlance to show the unequal effect of the Law on the use of objects over time and space so as to explain the necessary duty the Law requires of other humans if one is to exercise a liberty free of interference.

A human who takes liberties with space or an object in space even if not in constant occupation or constant physical control gains knowledge of the liberties across time he must exercise with that space or object to achieve his end. He gains knowledge that a loss of those liberties now and across time with space or an object will interfere with his achievement of an end. One concurrently gains knowledge of how other actors must **not** act so as to **not** interfere with the liberties now or in the future so one can achieve an end.

If a human wishes to achieve a goal, an end, then that human cannot lose liberties across time and space which are necessary to achieve the end. One will then desire that other humans recognize duties, to not interfere, correlative to one’s liberties. Duty is correlative to a liberty in that for one person to have a liberty (use of space or object without interference) another person must not interfere with the liberty. “Duty” is the concept of the intentional behavior directly related to the space or object that another is using now and in the future so as to not interfere. This duty of course requires that one with the duty know of the liberty of another, which requires a knowledge of the use of the object across time and space as a liberty. When multiple humans share the same knowledge of each other’s correlative actions to not interfere, an objectively true ethical relationship exists. Though, judgment making in the relationship will be imperfect.

Some space and objects are easy to identify as that which a human will exercise liberties with. Others are not. An apple a human is eating is easier to identify than whether a human can exercise liberties with the direction of the flow of water off his land. Actors are surrounded by space and objects that exist in the grey area, eg: the very space next to one’s body, photons (light) bouncing off another actor’s appropriated object in space and hitting another actor’s eye (this is how humans see), air, water, sound (or any vibrations in time/space), wind, rocks/dirt/minerals below the space where a house is built, the empty space above the house, the games of football, boxing, martial arts, and etc.

Temporal Space is three dimensional. Other actors are acting simultaneously. This necessitates knowledge of all humans’ liberties and correlatively, all humans’ duties if humans are to minimize interference. The spread of knowledge about liberty/duty correlative relationships is the reason for the concept called property, the right to exclude the interference of others. When the liberties are too numerous to list, such as what one does on a given piece of land, a general duty of exclusion may exist. But it is the interference (with the liberty) which is being excluded. The concept of property, the knowledge of what is excluded, comes from receiving information.

For knowledge of property to exist, an information carrier must exist to provide all actors with the knowledge of the liberty / duty correlative relationships established. The information may come as word of mouth, signs, barriers, contracts, recordings, or unspoken body language. As information of greater forms of utility increase and more valued ends are discovered, humans will make choices to act in relation to others to establish the relationships necessary to achieve their desired ends. Interference inflicts costs, hindering the effected parties from achieving ends efficiently and effectively (unless of course the end is the desire to interfere, to prevent others from achieving their ends). So establishing a relationship is part of preventing the interference. Expressing that which is property to prevent interference is a natural phenomenon in our physical reality.

The very concept of property, the liberty/duty correlative relationship, is in its protection. The protection of property requires that which prevents the interference of liberties across time and space. If everyone is trustworthy and adheres to the same liberty / duty correlative relationship then property is protected by knowledge of that relationship. If there are bad actors, people who derive utility by the interference of other’s liberties, then property protection comes in the form of equal or greater physical force to prevent such interference.

C. Economics and Ethics: Applied Science

Marginal utility is the cause of societal evolution. Humans who share a utility in similar liberty / duty correlative relationships regarding certain space and objects can be thought of as having a norm of behavior. But every moment in time brings a change in information, a change in utility. An end achieved in one moment in time and space is different from a seemingly similar end achieved in a different time and space. One car is valued differently, even if only slightly, from a second car. If someone has multiple cars at some point the person will prefer something else over one more car - fuel perhaps, if for no other reason than every additional car requires additional space to exist in. This is marginal utility. As capital increases, people will act differently to achieve a different end than previously pursued. Only by limiting information flow does the status quo remain.

The a-priori true knowledge that explains marginal utility is a truth that can be acted upon to change the status quo, even in a limited information flow environment. If information can be made available on how to achieve a different end which is valued higher than what the status quo action brings, and causation is not obscured by high entropy, a person will act to achieve the new end.

Society is a group of people with norms of behavior such as this: a human does not take the crops another human planted and vice versa. This is a shared utility of not taking the other’s planted crops. Admittedly, this utility does not identify whether the utility is formed by a moral principle of or by fear of reprisal. For purposes of the norm, regardless of the subjective evaluation each actor engaged in to arrive at the shared utility, a shared end-utility exists and a norm has developed at least with regard to planted crops; think of it as a reciprocal servitude. If one day one of these farmers has an idea to do something different, new potential liberties emerge. If one of these farmers, while digging in the dirt to plant a crop, digs up iron, casts it in a fire for some reason and then decides to change the shape of the iron, a previously unknown end now exists. Perhaps the next day he does it again and goes on and on until a skill of manipulating iron emerges and tools are created. Perhaps the tools are used to increase crop production until the farmer / miner / artisan takes his excess crops or metal goods to a neighbor and offers to exchange these for some other goods or services. Three separate skills offering a comparative advantage to those who pursue them in the market emerge: a farming skill, a mining skill, and an artisan skill. Generally speaking, when people specialize in one of the above everyone increases their wealth.

The people involved in the new exchange and production of goods and services must be secure in their use of space and objects for long enough periods of time so that they will develop the technology to achieve greater ends.[[56]](#footnote-56) The a-priori true knowledge of utility means that if information is available to achieve additional ends, at some point in time a previously higher valued end, if reproduced over different times and spaces, will reach the margins of value relative to another end. One can only have so many apples. Relative to clothes, the hundredth apple may lose its value over clothes, even if initially of greater value for the immediacy of preserving life through nutritional needs. Such marginal utility results in changes in behavior to achieve different ends; including the specialization in producing an end in such abundance as to trade or sell for other desired ends.

Once space and objects are used differently, there are immediately different liberties and duties at work in a new norm. The norms which develop in one culture may be different than the norms in another culture all based off subjective utility with commonalities shared amongst those in close proximity to one another. The duties in one culture will differ from another. Differing liberty / duty relationships among cultures may of course result in interference when two cultures interact. Interference may also occur when a disruption in a norm occurs and a cultural shift begins when new forms of capital are created.

Norms will necessarily have to change in order for humans to make use of different forms of property if one is to remain in the same geographical space as where the old norm existed. To deny that cultural evolution is possible is to deny marginal utility, and just as an example of how easy it can be, just think of all sorts of little changes in the liberty / duty correlative relationships that occur that are too small to be noticed, such as reading Murray Rothbard’s Conceived in Liberty one day instead of Joseph Story’s Commentaries on the Constitution to learn about the conception of America. In essence, the liberty / duty correlative relationship will have to evolve as in fact it must if space and objects are used differently as knowledge is gained to achieve different ends. This evolution in the use of space and objects is necessary to achieve greater wealth and yet may also result in interference with those who subjectively value the old norm higher than a proposed new norm.

Society is a reflection of what is generally recognized by the members as property or property rights, which is to say the members share the same understanding of the liberty / duty correlative relationships between humans and space and objects. People living next to each other with shared utilities in defining what is property, or what is one person’s liberty and another’s correlative duty, remove much but not all of the grey area of ethics. However, because actors are equally constrained by the law and unequally effected, so utilities must necessarily change even if only slightly over time with the exception, of course, of when information is restricted. On the positive side, one could say that across human history a pattern, or moral arc[[57]](#footnote-57), does appear toward the occurrence of eventual information flow, even if slowly.

Knowledge may come from outsiders or it may come from creative thinking insiders spreading ideas of different uses of space and objects to achieve greater ends. These ideas may accelerate dynamic behavior. Such change in behavior may grate against the other members of society when not everyone’s knowledge may grow at the same rate. Perhaps some are just not capable of understanding certain knowledge and so not everyone will understand how to achieve a greater utility. This may result in some lacking a desire to change the liberty / duty correlative relationship because of the variance in time preference. Additionally, in extractive systems[[58]](#footnote-58), those who currently benefit may want to protect the status quo, unless faced with a disutility in protecting the status quo or offered greater utility in allowing the society to evolve.

Exercising different utility without threatening a loss of utility found in the status quo requires a consenting change in behavior by those with the power to protect the status quo.

Transforming a third-world country, a society - especially an extractive society where some have an incentive in maintaining the status quo - is possible when one acts congruently with the Law. A past utility formed the existing society when the initial protectors of the status quo adopted it. Regardless of what that utility is, once the influencers learn how to achieve higher valued ends they will act accordingly. Evolving the liberty / duty relationships is necessary to allow for marginal utility and a dynamic society, and also increase the burden of returning the society to one of limited information flow. The idea is to transform the norm of behavior based on a dynamic society, or more specifically, a society with access to information flow. Societal evolution will follow with the protection of property rights that incorporates an understanding of dynamism and change based on human cooperation while protecting the status quo until by voluntary consent it is changed. The difficulty is that the protectors of the status quo will have to be shown a greater utility than the status quo or a disutility in protecting the status quo.

The unequal effect of the law is that we have different levels of information. Transforming a society involves understanding the psychological and social processes - the beliefs, desires, intentions, customs, and rules - that are contained in liberty / duty relationships and then using them in two types of low entropy information carriers to spread information.[[59]](#footnote-59) Protection of property requires that at some point in time when an actor uses space or an object, a liberty / duty correlative relationship comes into existence via a means to protect the relationship from interference and widespread knowledge of the relationship to prevent interference by unknowing actors if one wishes to expand the division of labor one participates with to increase wealth.

The first information carrier provides the knowledge of causation of wealth creation so as to increase the free will choices of the members of a society to act in accordance therewith. The second information carrier takes the skillset that professional contract drafters provide to weave the liberties and duties into one formal low entropy system where the information can be accessed by anyone wishing to do business.[[60]](#footnote-60)

While one may want to move from a static economy to a dynamic economy in one moment in time, the temporal space involved in humans’ changes in action preferences involves the acquiring of new forms of utility. This means that the ethical move from third-world to first comes at the speed of acquiring knowledge. Of course in theory the move from third-world to first can happen in one moment, the logic of action shows that lowering the entropy as to the knowledge of the causes of wealth is how countries transform from third-world to first without unpalatable interference.

The two information carriers provide a foundation for governance. Governance is about protecting property. Governance is protecting the use of space and objects from interference. The first information carrier must provide knowledge that a dynamic economic property system will allow for increased wealth for all. This first information carrier will have to provide the society with information easy to understand that will cause a natural desire to protect property in a dynamic economy and welcome entrepreneurs, without grating against the Kahan theory (which posits that most humans have a utility to “belong” greater than a utility in behaving ethically). The second carrier must provide functional knowledge about property - all the loose and isolated data about property must be integrated into one comprehensive system anyone can access anywhere in the world to expand the division of labor globally.[[61]](#footnote-61)

Information flow provides knowledge that may be synthesized to make choices. The reader should note that information is not low entropy if it is not retained or understood. A classification of low or high entropy is subjective and according to the intended recipient. An example of an initial low entropy information carrier in a third world country, to present free will choices toward greater prosperity, might be a reality TV show broadcast at the village square on the side of a building by a projector. The weekly broadcast could be an event where food and beverages are sold. The stars of the show would be from the country, perhaps going to work for entrepreneurs, perhaps including government officials, perhaps becoming entrepreneurs. The information must reach a broad swath of humanity and so the package must incorporate the current psychology of the culture and use the natural effect of marginal utility with that current psychology to effect change. The stars of the show would be shown to achieve greater levels of disposable income, to purchase things they want, to have insurance, to have healthcare, to have a retirement plan, to have access to greater knowledge, to have recorded property, and to show how property is protected. The show would suggest other sources of knowledge to further the information flow about the uses of property. The message would be very subtle and not preachy, and it must not be beyond the education level of the audience when the first episode is shown. But it must grow the education level from where it is.

As the understanding of property grows and the society understands that property is the means to achieve an end and exists as part of the equal constraint of the Law, the society can be introduced to the concept of capital. At the point when property exists, when property is protected, the space or object may be used as capital. And capital requires a certain form of information flow.

Information flow via a property system means an accessible record of economic aspects of space or objects anchored to a specific location and owner. Recorded property is a mediating device that captures and stores information required to make a market economy run.[[62]](#footnote-62) Property makes people accountable and assets fungible, by tracking transactions, and so providing all the mechanisms required for the monetary and banking system to work and for investment to function.[[63]](#footnote-63) The connection between capital goods, savings, and a medium of exchange, runs through property.[[64]](#footnote-64) Paper currency owes its origins to the writing of debt notes.[[65]](#footnote-65) Therefore currency presupposes the institution of property.[[66]](#footnote-66)

It is property documentation that fixes the economic characteristics of assets so that they can be used to secure commercial and financial transactions and ultimately to provide the justification against which a bank would issue a note backed by capital.[[67]](#footnote-67) To create credit, accounts receivable, and generate investment, what people encumber are not the physical assets themselves, but their property representations - the recorded titles or shares - governed by rules that can be enforced.[[68]](#footnote-68)

If you loan money, the only way you can earn on it is by loaning or investing it against some kind of property document that establishes your rights to principal and interest. [[69]](#footnote-69) All advances are made in good banking against securities,[[70]](#footnote-70) legal property paper. Capital is therefore not created by currency; it is created by people whose property systems help them to cooperate and think about how they can get the assets they accumulate to deploy additional production.[[71]](#footnote-71) It is the property system that draws out the abstract potential of assets.[[72]](#footnote-72)

Property is not a primary quality of assets but the legal expression of an economically meaningful consensus about assets backed up by a means to protect the [liberty / duty correlative] relationship.[[73]](#footnote-73) With a formal property system, available to all, one no longer needs to travel to visit each and every owner and their neighbors to establish what the [liberty / duty correlative relationship] is and who owns what; the formal property system lets one know what assets are available and what opportunities exist to exercise utility within the status quo or who to exchange value with to evolve the liberty / duty correlative relationship.[[74]](#footnote-74) Consequently, an asset’s potential has become easier to evaluate and exchange, enhancing the production of capital.[[75]](#footnote-75)

A formal property system records assets and in the process creates capital by describing and organizing the terms of the liberty / duty correlative relationships of land and assets, and the parties involved. This title to property is ethical Pareto optimal. A set of detailed and precise legal rules agreed to by the effected people governs this entire process, enforced by insurance bond, reputational capital, the theory of continual transactions, and physical force. As people will want property protection, the legal rules are adopted at the time of contracting for property protection. Formal property records and titles thus represent our shared concept of what is the shared utility in any asset. Recorded property is the place where first-world capital is born.[[76]](#footnote-76)

Once inside a recorded property system, owners lose their anonymity (but not their privacy-the level of which will be subjective based on the liberty / duty correlative relationship). People are able to leave the anonymity of the masses by becoming linked to property if they ever wish to engage in large scale commerce, and businesses can be easily identified and located. Individual accountability gets reinforced. Respect for property increases and the theory of continual transactions drives increased cooperation when property and reputational capital is established by consent and recorded and protected - all of which comes with low entropy information flow.

A property system protects not only ownership but the security of transactions which encourages actors to respect titles, honor contracts, and establish the liberty / duty relationships corresponding to a dynamic utility. When one fails to act honorably, his breach is recorded in the system, jeopardizing his reputation as a trustworthy party to his neighbors, utilities, banks, telephone companies, insurance firms, and the rest of the network that property ties him to. A property system provides one with the ability build wealth by cooperating with others, but it can be lost if one is a bad actor. Consequently, a great deal of wealth producing power of a property recordation system comes from the accountability it creates, from the constraints it imposes, the rules it spawns, and the sanctions it can apply. [[77]](#footnote-77)

The lack of a property system with rules visible to outsiders is one reason why people in third world countries cannot make profitable contracts, cannot get credit, insurance, or utilities services: They have no known property to lose to outsiders. They have no reputational capital. People with no knowledge of how to cause wealth, nor how to record the wealth in the form of the liberty / duty correlative relationship are trapped within a small circle of people who can be personally trusted. They are unable to enter into cooperation to create wealth with large circles of diverse specialties around the globe. Outside entrepreneurs who would like to establish businesses fear entering a jurisdiction where their property can be lost because the jurisdiction will not respect their property rights.

Humans with access to a property system and benefiting from a low entropy information carrier can identify utility and contract for practically anything in an ethical Pareto optimal economy. Trust is established among diverse parties when a pledge of property can be made, whether in the form of something physical like land, or a car, or in the form of bank account or insurance. When both sides of a contract feel secure against a breach, more cooperation exists, and more wealth is capable of being produced.[[78]](#footnote-78) A formal property system and information flow about the causes of wealth provides a third-world country with the information necessary to evolve behavior so as to increase human cooperation and wealth building.

*The only real failure is not to try.*  Jim Rogers, Street Smarts. p249.

1. Epistemology shall be defined by this paper as how we know what we know. [↑](#footnote-ref-1)
2. I credit Thomas Sowell’s conception of the constrained and unconstrained visions for helping me to apply Ludwig von Mises’s scholarship which I was introduced to in Hans Herman Hoppe’s Economics and Ethics of Private Property. This paper has also been a result of an evolution of thought ever since being exposed to Austrian Economics by my girlfriend in Law School and by Professor Robert Brown’s Law and Economics class where I began this paper my last semester in Law School. I should also probably include that there is an inspiration from Reading Murray Rothbard’s Ethics of Liberty that I hope can be felt between the lines. [↑](#footnote-ref-2)
3. Ludwig von Mises, Human Action [↑](#footnote-ref-3)
4. Hans Herman Hoppe The Economics and Ethics of Private Property p275. Ludwig von Mises Institute 2006 [↑](#footnote-ref-4)
5. In the hard sciences hypothesis are posed and tested. Hypothesis are confirmed or falsified based on what is observed. When a hypothesis is confirmed to a reliable measure a law is said to exist given the conditions known in the hypothesis. However, a chance still exists that more observational evidence will be collected to falsify the hypothesis posed as to a presently unknown condition. Hypthosis about causation in the hard sciences are oddly enough considered laws only after a correlation of continued confirmation tests. The laws in the hard sciences are derived by what *is* as observed in a test to confirm a hypothesis. Even when the hypothesis is about *why things must be*, the observation of what *is* is still what results from a test to confirm or falsify a hypothesis. The hypothesis is a guess (however well thought out). It must be tested to confirm or falsify. And so the laws are determined from a correlation of what *is* as observed in the test, even if the test is to determine *why things must be* such as with Behavioral Economics. [↑](#footnote-ref-5)
6. Hans Herman Hoppe The Economics and Ethics of Private Property p274. Ludwig von Mises Institute 2006 [↑](#footnote-ref-6)
7. id at 275 [↑](#footnote-ref-7)
8. id at 275, 277 These axioms would not have to be self-evident in a psychological sense, that is, that one would have to be immediately aware of them or that their truth depends on a psychological feeling of conviction. It is usually much more painstaking to discover such axioms than it is to discover some observational truth such as that the leaves of trees are green. [↑](#footnote-ref-8)
9. id at 275 [↑](#footnote-ref-9)
10. id at 275 [↑](#footnote-ref-10)
11. id at 275 [↑](#footnote-ref-11)
12. id at 275 [↑](#footnote-ref-12)
13. id at 275 [↑](#footnote-ref-13)
14. The reader should be cognizant of a distinction in the usage of the word “action” based on context. One context of the word action may be broad such as to incorporate in everyday usage the circumstances of bodily movements whether intentional or by reflex (like when a doctor hits a knee with a small rubber mallet). The other context of the word action, the context being used here in this paper is one derived from economics: intentional behavior in the use of scarce resources including one’s body. [↑](#footnote-ref-14)
15. id at 276 [↑](#footnote-ref-15)
16. id at 277 [↑](#footnote-ref-16)
17. id at 276 [↑](#footnote-ref-17)
18. id at 276 [↑](#footnote-ref-18)
19. id at 276 [↑](#footnote-ref-19)
20. id at 276 [↑](#footnote-ref-20)
21. id at 276-277 [↑](#footnote-ref-21)
22. id at 277 [↑](#footnote-ref-22)
23. id at 277 [↑](#footnote-ref-23)
24. I credit my understanding for this concept of time to the YouTube channel “Praxgirl.” [↑](#footnote-ref-24)
25. Credit for this is to Murray Rothbard, the Ethics of Liberty. [↑](#footnote-ref-25)
26. This is a reason why leading questions on cross examination in an American court violate the purpose of a trial: to get to the truth. When a judge finds a witness to be in contempt of court for not answering “yes” or “no” to a leading question the judge himself is in contempt of the laws of physics. Requiring both honesty and a “yes” or “no” answer to leading questions on cross examination is a paradox since no one human ever observes and categorizes situations in the same temporal space as any other human. Therefore, vocabulary and phrases are not 100% equal in the mental images or categorizations of two humans and every answer to a leading question, if one is to be honest, must be “both Yes and No, depending on how the words are defined” because the human doing the answering does not have the ability to read the mental images of the cross examiner’s mind.

    One should also be cognizant of the dirty tricks done by lawyers when a witness trying to be honest and comply with the court’s directive answers, “yes” or “no.” This one word answer is manna from heaven for the shyster lawyer who can now begin redefining a word or phrase in the follow up question to make the witness appear to lack credibility. When the witness must always answer “yes” or “no” - even if the witness can explain himself after answering “yes” or “no” - the witness appears to be something other than honest, because normal conversation does not take the same form as a cross examination where the person talking is constantly trying to explain himself. Unfortunately a jury of one’s peers is not the best at recognizing dirty lawyering. And so rather than the court enforcing honesty in the courtroom it has intentionally or unintentionally, set the conditions for dishonesty, confusion of the issues, the discrediting of a creditable witness, and provided fertile ground for the shyster lawyer to ply his trade. [↑](#footnote-ref-26)
27. Hans Hoppe The Economics and Ethics of Private Property at 279 [↑](#footnote-ref-27)
28. id at 279 [↑](#footnote-ref-28)
29. id at 279 [↑](#footnote-ref-29)
30. id at 279 [↑](#footnote-ref-30)
31. Hoppe [↑](#footnote-ref-31)
32. I credit my understanding for this concept of uncertainty to the YouTube channel “Praxgirl.” [↑](#footnote-ref-32)
33. Id. [↑](#footnote-ref-33)
34. Id. [↑](#footnote-ref-34)
35. Retained Knowledge may not be readily recallable and may require aid such as a writing or image. The actor’s genetic quirks in recalling retained knowledge also leads to behavior that may or may not achieve the desired end. [↑](#footnote-ref-35)
36. Credit for this concept goes to George Gilder who I heard on a Cato Event Podcast and Daily Podcast and an interview with Peter Robinson on the show “Uncommon Knowledge.” I’ve not yet read his book Knowledge and Power but to the extent his interviews helped with this paper I give him credit. [↑](#footnote-ref-36)
37. Id. [↑](#footnote-ref-37)
38. This is not so easily remedied by a verbal explanation from one wise learned soul to the innocently ignorant. The unequal effect of the Law necessitates a certain amount of inherit vagueness with language because our observations within the temporal space we occupy will result in all actors receiving different (even if only minutely different) perspectives on that which is observable (or sensed). If we stand shoulder to shoulder and look at the same object 5 feet away, our observations will differ, even if only slightly. Imagine how much variance exists in the mental image that a word or phrase brings to mind based on all the moments the word or phrase has been introduced into one human’s lexicon versus another human’s.

    The propositions used to concern the observable evidence will necessarily be received with different mental images or memories, even if the words or language is generally agreed to amongst a class of humans. What is truth to one person, when communicated using words that have been categorized differently by another, can be received as untruths. Verbally explaining causation of wealth carries with it a very heavy burden. If that burden were not heavy enough, a major premise concerning the future is constructed by categorizing this as that, or this as not that based on the past with a lack of perfect information which may create an incorrect belief of causation for the future. [↑](#footnote-ref-38)
39. This definition of time preference is only for this paper. [↑](#footnote-ref-39)
40. A high time preference person who acts to cause a result further in the future but without the belief he can achieve it is still a high time preference actor since what that actor is really doing is committing a gamble. The gamble is the immediate result. This is not to be confused with entrepreneurial thinking where one has a belief in causation albeit less than 100% certain. [↑](#footnote-ref-40)
41. A human’s statement of utility is an action, and it is a different utility from acting in accordance therewith. The stated utility will differ even if only slightly from the utility of acting in accordance therewith because the statement and the acting in accordance therewith occur in different temporal space with changes, if only mildly, in conditions and knowledge. [↑](#footnote-ref-41)
42. Credit goes to Peter Schiff, How an Economy Grows and Why it Crashes (I can catch 3 fish a day with my hands or I can catch 20 fish a day with a net. If I want a net, I have to take the time away from catching the 3 fish a day to build the net. If I can live off 2 fish a day I can use the time saved to construct a net. The net then allows me to catch 20 fish a day in the time it used to take me to catch 3. Think of the net in terms of time.) [↑](#footnote-ref-42)
43. I wrote this down from someone at some point but I do not now know who said it. [↑](#footnote-ref-43)
44. Id. [↑](#footnote-ref-44)
45. Id. [↑](#footnote-ref-45)
46. Id. [↑](#footnote-ref-46)
47. If a human doesn’t believe he can build the net or that it will help him catch fish with the same certainty he can by hand, he continues to catch 3 fish a day by hand. Perhaps he realizes past performance does not guarantee future performance (what if he develops arthritis in one of his elbows. But if he doesn’t know he can build a net, why experience the cost of that third fish a day to try. Perhaps if he knows he can live off 2 fish and he knows if he doesn’t fish all day and only part of the day he will be able to both live and experiment with a device that may save him time, or may allow him to trade for other goods and services, and maybe he has a belief that a device can be built that will catch 20 fish a day. Maybe he just has a hypothesis he wants to test. Even if he fails initially to build the net, knowledge will be gained in the experiment [↑](#footnote-ref-47)
48. Daniel Kahneman, Thinking Fast and Slow [↑](#footnote-ref-48)
49. When something has never been done before how does the brain formulate the belief in causation? Can an “end,” a goal, truly be a 0 to 1 creation as Peter Thiel believes? Does a 0 to 1 creation spring forth from a truth that one person believes that no one else does? Can pure abstract thinking produce an idea? Or do creative moments come from a synthesis of surrounding information that are used in the creation; perhaps from a flow state (Steven Kotler, Rise of Superman, and the research by Mihaly Csiksentmihalyi) where intuition and cognition work like cheng and chi (Chet Richards, Certain to Win; and COL John Boyd, Patterns briefing) to provide the answers and the actions necessary to create something new. Would a man just come up with the idea of a fish net, or would knowledge of the tensile strength of vines, and the pass through nature of soil give rise to an idea of a device that could hold fish and let water pass through. [↑](#footnote-ref-49)
50. This paper does not discuss the ability to think abstractly and whether abstract thinking is genetic or can be learned. [↑](#footnote-ref-50)
51. Think of I, Pencil by Leonard Reed [↑](#footnote-ref-51)
52. Whether interference is judged as right or wrong is question better captured by the word “morality.” [↑](#footnote-ref-52)
53. I credit Professor Jeffrey Van Detta for introducing me to Wesley Hohfeld’s correlative, opposite, and multital rights, and in whose 1917 law review article “Fundamental Legal Conceptions as Applied in Judicial Reasoning” 26 Yale L.J. 710 provided me the best understanding of common law property. I doubt Constitutional Law would have evolved as it did, had Hohfeld lived beyond his too short 39 years. Hohfeld correctly observes that strictly adhering to the Anglo-American concept of liberty one finds that duty is not expressed to be correlative, but is only expressed as an opposite relation or right – in other words, Anglo-American law believes one can exist without the other. And as this paper shows, a liberty without a duty is interference ready to happen. One cannot defy the laws of physics. A liberty cannot be protected without enforcing a duty on others to not interfere, and to state otherwise is a paradox. Obviously, this is a flaw in the Anglo-American system of jurisprudence if one believes said system of jurisprudence is to protect and defend freedom. To create and enforce a duty without consent is unjust as per the Declaration of Independence. Protection of another’s liberty without the consent of those with the duty is not freedom; it is a lack of freedom as everyone subject to an unconsented-to-duty is now in involuntary servitude to do or not do “x.”

    I also credit Curtis Nyquist’s article “Teaching Hohfeldian Analysis” Journal of Legal Education, volume 52, numbers 1 and 2 (March/June 2002) for providing a intellectual stepping stone before engaging fully in Hohfeld’s article.

    I also credit Robert Murphy and Gene Callahan in their critic of the a-priori of argumentation as alone the objective defining characteristic of ethics. Journal of Libertarian Studies, Vol 20, No 2 (Spring 2006), pp 53-64. [↑](#footnote-ref-53)
54. If one has experienced the difficulty of determining scienter in a court of law in the United States, one immediately picks up on a curious finding here: is a liberty established by the person using the object, or by the person observing the person using the object. If one does not recognize a liberty in another, then there is no scienter if one interferes. [↑](#footnote-ref-54)
55. eg, going to a concert and listening to the music in the stands, one person sits here, and another, there. [↑](#footnote-ref-55)
56. Robert Higgs has discussed the concept of regime uncertainty, and though I have only heard briefly about him and his work I believe the idea I posit is probably something that he has explored in farther reaching scholarly form. [↑](#footnote-ref-56)
57. I heard this term used at some point in an interview but I do not recall who to credit this to. [↑](#footnote-ref-57)
58. Credit for this context goes to Daron Acemoglu and James A. Robinson “Why Nations Fail, The Origins of Power, Prosperity, and Poverty” 2012 [↑](#footnote-ref-58)
59. Credit for this concept goes to George Gilder who I heard on a Cato Event Podcast and Daily Podcast and an interview with Peter Robinson on the show “Uncommon Knowledge.” I’ve not yet read his book Knowledge and Power but to the extent his interviews helped with this paper I give him credit. [↑](#footnote-ref-59)
60. Hernando De Soto, “The Mystery of Capital” (2000) at 158. This paper has used Professor De Soto’s opinions and nested them with the verbiage of the arguments made herein and I wish to credit him for his scholarship where I have done so. I shall at some point offer this paper to him for his critic and make adjustments so as to not put words in his mouth. [↑](#footnote-ref-60)
61. Id p. 63 [↑](#footnote-ref-61)
62. Desoto at 52 [↑](#footnote-ref-62)
63. Desoto at 52 [↑](#footnote-ref-63)
64. Desoto at 52 [↑](#footnote-ref-64)
65. Desoto at 63 [↑](#footnote-ref-65)
66. Id at 63 (citing George A. Miller and Philip N. Johnson-Laird, Language and Perception (Cambridge: Harvard University Press, 1976), p. 578) [↑](#footnote-ref-66)
67. Id at 64 [↑](#footnote-ref-67)
68. Id at 64 [↑](#footnote-ref-68)
69. Id at 64 [↑](#footnote-ref-69)
70. Id at 64 (citing Gunnar Heinsohn and Otto Steiger, “The Property Theory of Interest and Money,” unpublished manuscript, second draft, October 1998, p. 22.) [↑](#footnote-ref-70)
71. Id at 64 How else could financial organizations identify trustworthy potential borrowers on a massive scale? How could physical objects, like timber in Oregon, secure an industrial investment in Chicago? How could insurance companies find and contract customers who will pay their bills? How could information brokerage or inspection and verification services be provided efficiently and cheaply? [↑](#footnote-ref-71)
72. Id at 61 [↑](#footnote-ref-72)
73. Id at 157 [↑](#footnote-ref-73)
74. Id. at 54 [↑](#footnote-ref-74)
75. Id. at 54 ( of course the exception to this is where multiple jurisdictions and regimes at various vertical levels of government have multiple limitations of property (liberties) and high entropy rules and regulations necessitating the expenditure of capital to figure out just what is possible to do with the property.) [↑](#footnote-ref-75)
76. Id. at p46-47 [↑](#footnote-ref-76)
77. Id. at 55 [↑](#footnote-ref-77)
78. Id. at 56 [↑](#footnote-ref-78)