A Critique and Adaptation of Hoppe's Theory of Private Defense

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Hans-Hermann Hoppe is indeed one of the most prolific Austrian economists of our day. He has written a plethora of articles, given countless lectures, and maintains a reputation as one of the leading voices of the anarcho-capitalist movement. Though many of the facets of his theory on private defense are spot on, some of his assumptions and thus, his conclusions made in his article "The Private Production of Defense"[1] are false and need to be reworked. Hoppe's theory neglects to comment fully on the protection problems associated with poorer neighborhoods, allocates far too much power to insurance companies, and he neglects to comment on the dangers of the different methods of oligarchic competition. This paper seeks to manifest these shortcomings while offering solutions and an overall adaptation of Hoppe's theory, while staying within the bounds of free market capitalism.

According to Hoppe, insurance companies are the most likely candidate for privatized defense.[2] Due to their large and multinational capital reserves, these insurance companies would be in the best position to provide a free market form of defense from aggression. Like all goods, there then would arise a supply and demand for defense and property protection. Arising out of this, there would be a supply and a demand for safer and thus better protected communities and locations for citizens to build their homes and businesses. Hoppe points out that the desire for safer communities will be made by both the insurance companies and consumers. This demand for safer communities comes out

[1] Hoppe, Hans-Hermann. "The Private Production of Defense." *Journal of Libertarian Studies* 14 (1999): 27-52.
[2] Hoppe (pp. 35)

of the insurance companies' desire to lower the costs of their police and protection effort and the consumer's desire for lower insurance premiums. As a result of this, there will be a greater societal demand for safer communities.[3]

However, Hoppe neglects to take this point to its logical conclusion. Because property is scarce (and because safe property is even more scarce), the increased demand for safer communities will necessarily increase the cost of these properties. Even though the insurance premiums are low and the costs of policing these areas are low, the purchasing costs of these properties themselves will be high. This increase in the price of living will make it so that only the relatively rich can afford genuinely safe communities. We see this in our world today—the richer the community, the more safe the community. For example: one does not see gated neighborhoods in Compton, Los Angeles, but we do encounter gated communities within Beverly Hills. Wealthy people will not only be able to afford to live in safer communities, but they can also afford to bolster their own home and business defenses. Hoppe says that "every property, wherever it is located, can be shaped and transformed by its owner so as to increase its safety…"[4] While this is true, the ability of an owner to increase the safety of their property is 100% correlated to their wealth. Therefore, the rich will have the best opportunity to reinforce their property. Those people who lack the disposable income will not be able to afford to increase their property protection to the same extent as the wealthy.

Along similar lines, Hoppe correctly points out that the increase demand in safer communities will result in a tendency toward the migration of people and goods from high risk and falling property value areas to areas of low risk and increasing property

[3] Hoppe (pp. 40-42)
[4] Hoppe (pp. 42)

values.[5] However, Hoppe neglects to point out that this can only occur in accordance to the wealth of individuals. Only those who have the economic means to move from unsafe to safe communities have the ability to do so. This emigration of the wealthy from high risk to low risk communities results in the ghetto phenomenon within urban life, where only the poor live in unsafe and undesirable neighborhoods.

Obviously, insurance companies can offer poorer citizens with a discounted insurance premium that is within their budgets, but in order to justify this lower price within a higher risk community, the quality of aggression protection will necessarily be lower. In fact, I would argue that within the poorest of ghettos, insurance coverage will be wholly inadequate simply because their inhabitants of the poorer neighborhoods would not be able to afford adequate coverage and protection.

Now that we have examined the problem, we must set ourselves to finding a way to solve it. Essentially, we must ask ourselves, “How can the free market provide adequate aggression protection to low income and high risk communities?” But before we answer that question, we must begin by addressing a deeper assumption found within that question. We need to address the question of whether or not the free market *should* provide a way to offer adequate property protection for low income communities.

I believe the answer to this question is a resounding “yes.” The essence of the libertarian ideal begins with man’s actual ownership of his property, and his private property rights are threatened when the possibility of theft or vandalism is brought into the picture. Man has an absolute right to defend his life and property, and this right should not be denied to those simply because they cannot afford to do so. Libertarianism is not a Darwinian concept of the survival of the fittest, where only the efficient, wealthy,

[5] Hoppe (pp. 44)

and strong survive. Libertarianism is founded on the basis of freedom. We believe that all men and women should be allowed to live his own life to the best of his ability. If we truly believe this, than we must come up with a theory or method by which those less fortunate can protect themselves. Libertarians desire that every person achieves his position in the division of labor that their point of greatest efficiency, thus increasing the standard of living for everyone. If the poor cannot attain their level of efficiency because they cannot afford to protect their property, then the entire society suffers. While self-defense is usually an adequate method of property protection, this method results in inefficiencies because it forces the entrepreneur to spend his time, money, and energy on protecting his property instead of supplying consumers with their highest order goods. Finding a method to protect the property of the poor frees up the less wealthy entrepreneurs to engage in more efficient economic activities, thus furthering the division of labor and increasing the standard of living for everyone in society. In order to create the most efficient and wealthy society possible, we must address the difficult question of how to provide adequate private property protection for those who genuinely cannot afford it.

(Often times, we libertarians unjustly receive the critique that our capitalist and free market theory is uncaring and ignorant of the needs of the poor. Because we know this to be completely false, we must strive against this misconception by honestly accounting for society's ability to take care of the people who have a difficult time taking care of themselves.)

Now that we have agreed that we do need to find a way to provide property protection to the poor within our free market theory, we then come to the issue of "how do we do that?" How can we address the protection needs of the poor without resorting to the coercive and grossly inefficient methods of a government run police force?

The answer to this conundrum is free market charities that specialize in police protection. If we already know that free market charities can and will arise to handle other benefits of the poor, such as food, health coverage, clothing, etc, then charities ought to be able to address the poor's need of private property protection. Because these charities will operate like a non-profit organization, they do not have to be staffed by all volunteers. These protection charities can outsource their police work to other protection firms, or even hire their own police forces.

Hoppe neglected to address the need for protection for society's poor, but I truly believe that these protection charities would be the answer for lower income communities. Instead of having to defend themselves, or rely on organized crime's protection racket schemes, other members of society will see to the security of their fellow man. However, there still is one more issue that needs to be addressed.

Just because free market protection charities are possible does not mean that they will actually arise, or even accomplish their role as private property protectors. In order for these charities to come to fruition, there has to be a strong ethical obligation of society to protect the private property rights of the poor. Members of our free market society must have a sense of obligation built within their souls. While this is indeed a difficult concept to make manifest, I hope I can provide some perspicuity through an illustration.

In the Bible, the pre-dynastic Hebrew people lived among each other with a common identity. They all considered themselves "Sons of Abraham" and worshipers of "Yahweh," the one true God. Under Mosaic Law, all members of society were required to give a portion of their wealth to the temple in forms of sacrifices and goodwill gifts.

While these people were not always faithful to their obligations, it was still quite prevalent during certain periods of history. This sense of cohesion within their society forced many people who probably would not freely give to the temple to actually donate a portion of their wealth. These people acted contrary to their natural inclinations because Hebrew society would not allow a “stingy” Hebrew person. For example, let us say that one Hebrew man, named “Bill” decided to not give to the temple and to not participate in the Hebrew festivals and feasts. His neighbor would soon become aware of this and confront him. You can imagine the conversation: “what do you mean ‘you don’t feel like giving’ to the temple and participating in our feasts?” Soon word would get around to the entire tribe that Bill is not giving to the temple and not practicing the Hebrew religion. Eventually his local society would either shame him into changing his behavior, or drive him out of their community. The giving of one’s wealth to the temple was so central to biblical Hebrew society’s identity that failure to do so would make you a “non-Hebrew.” They gave to the temple and engaged in these feasts and festivals simply because “that’s what Hebrews do.”

In the same way, our own free market societies need to have the same sense of obligation in terms of helping and financially assisting our fellow man. Should someone discover that their neighbor is not donating their money to a charity, he should confront his neighbor and shame him into either donating a portion of his wealth or leaving the community. In order for a free market society to work, there needs to be a societal ethic of obligation towards helping those less fortunate than themselves. Without this ethic of societal generosity, Hoppe’s free market defense theory may actually trample the poor instead of making their lives better.

Another piece of Hoppe's theory I wish to adapt concerns the insurance companies that Hoppe advocates for in his article. Candidly, the amount of raw power and authority that Hoppe gives to these insurance companies is disturbing.

Hoppe gives all police power to these insurance companies. Everything from beat walking to investigation work will be done by these insurance companies. Hoppe gives the insurance companies authority to arrest and detain citizens, record and maintain criminal records, engage in criminal investigations, and also engage in "preventative criminal investigations." Hoppe himself states that "insurers would also be particularly interested in gathering information on potential (not yet committed and known) crimes and aggressors." [6] The authority to carry out preventative criminal investigations is one of the striking examples of Hoppe's oft misplaced trust in human beings. Our Fourth Amendment was put in place to keep the government out of our homes and livelihoods. Hoppe is extending this ability to private insurance companies who are not beholden to any check on power. People are people, and power corrupts, regardless of whether their position lies in a private company or a legislative body. This is far too much unchecked power to be given to any company, public or private.

The solution to this power play is a check on the power of the investigative branch of these insurance police forces. The warrant procedures that we have adopted here in the United States must be upheld within the free communities where these police actions occur. In order to limit the scope of the police branch of the insurance companies, warrants must be issued by the community court to these insurance companies. For example, if a man lives in "town x" and an insurance company wishes to investigate this man, the insurance company must go to the court that resides over "town x" and receive a

[6] Hoppe (pp. 46)

warrant for that investigation. In order to ensure that these privacy laws are upheld, the communities courts must follow up on these insurance companies to make sure all the rules are followed. The courts can either do this themselves or outsource to a "watchdog" firm, who would report on any abuses and make a public notice. This creates a monetary incentive for insurance companies to actually stay within the privacy laws for each individual township. If word gets out that a specific company was breaking investigative laws, many people will switch their insurance carriers, thus hurting the profitability of the insurance firm that is breaking the law.

The police arm of Hoppe's insurance companies would also be responsible for criminal expulsion and internment.[7] While this power is in and of itself is completely acceptable and responsible, Hoppe's insurance companies must not be allowed to act as adjudicators for any accused criminals. All verdicts and sentencing must be done at the local court level, not by the insurance companies. The insurance companies may act as the prosecutors for criminals, but the administration of justice lies with the people of the local community. Insurance companies must be limited to the application of the criminal punishments as dictated by the local courts. A justice system where the judge, jury, and executioner are found within one party is not a good system of justice at all.

Hoppe also designates too much power and authority to the insurance companies via residential arrangements. Under Hoppe's theory, insurance companies would be interested in allowing people to live in a community only when their "presence adds to a lower crime risk and increased property values" while excluding anyone who would increase the crime risk and decrease the property values of the houses within that

[7] Hoppe (pp. 48)

community.[8] Essentially, Hoppe gives the insurance companies the final say on who can live where, all in the name of profitability. What kind of freedom is that?

The solution to this problem is to simply take away the residential discrimination rights of these insurance companies. The people living in the community have the right to decide who can or cannot live in their community, not some giant insurance corporation. Any time someone wishes to move into a new town or district, all that person needs to do is present themselves to the people that are currently living in the area, whether that be by town hall, elected officials, or even a community judge. The method of the discrimination can be left up to each individual township, but the decision making ability must always lie with the people, not with the insurance companies. In order to ensure that this right is not flaunted by insurance companies, the aforementioned watchdog groups would be able to report on the actions of these insurance companies, thus keeping the incentive for ethical and legal behavior very strong.

Furthermore, as Hoppe's theory develops, he begins to articulate the problems that may arise in terms of conflict with other nations, especially other nations that are run by tyrannical governments. In order to combat the problem of antagonistic government subterfuge, Hoppe argues that it would be in the insurance companies' best interests to "induce the insured, either as a condition of insurance or of a lower premium, to exclude to strictly limit any direct contact with any known government agent, be it a visitor, customer, client, resident, or neighbor."[9] It would then be reasonable to conclude that if insurance companies would want to limit or restrict their clients' association with "persons of interest," they would have to engage in two separate activities. First, they

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[8] Hoppe (pp. 48)
[9] Hoppe (pp. 49)

must find out who these covert operatives are by way of employing foreign intelligence agents. Second, these insurance companies would need to employ domestic spy operatives (or “auditors”) to make sure that their clients do not association with these “persons of interest.”

This chunk of authority that Hoppe gives to these insurance companies is the most disconcerting. Hoppe gives these insurance companies the right to determine who we can associate with in our daily lives, from our economic patronage right down to the very people we invite over for dinner, all in the name of protecting their clientele from foreign clandestine operations. By giving them this authority, Hoppe enables these insurance companies to spy on their own clients, regardless of suspicion or provocation. The insurance companies would become the free society’s “Big Brother,” all under the guise of the public good. Does this sort of clandestine investigatory ability sound familiar? The power and authority of these insurance companies goes against almost everything we libertarians hold dear. Not only would Hoppe’s insurance companies have the ultimate and final voice in our own personal associations, but they would have the right and the ability to spy on us without any reason.

The solution to this issue lies with both the altering of the economic incentives of these insurance companies and enforcing the freedoms of the people via the threat of violence. The watchdog firms mentioned earlier are critical to the process of altering the economic incentives of the insurance companies. The watchdog companies must investigate the activities of the insurance companies and report any and all abuses.

But more importantly, the clients of the insurance companies must defend their rights, first with their wallets, and then if necessary, their rifles. If any insurance company tries to prevent a citizen from developing any type of relationship with another person, that citizen must remove himself from their clientele and encourage others to do the same. If any insurance company blocks someone from moving to a new residential area, the citizens must remove themselves from their clientele. If the insurance companies continue to harass any other former or current clients, the citizens must threaten them with armed violence. The bottom line of profit and loss is what insurance companies are most concerned with, and if all of their clients refuse to be bossed around at the point of a gun, their ability to abuse their power will be permanently limited. Armed conflict with your own clients is absolutely a foolish business proposition. If any insurance company wishes to wantonly violate the local laws or customs, the people must be willing to shoulder arms and fight the insurance companies in an effort to maintain their own local and personal sovereignty. The entire purpose of anarcho-capitalism is freedom, not oppression.

At this point, I would like to comment on oligarchic nature of Hoppe's insurance companies. Hoppe describes the private defense insurance companies as being able to operate on a worldwide scale, having large property holdings as capital reserves to offset all the things they insure. Based on this description, it would seem reasonable that these insurance companies would occupy an oligarchic market, not unlike the insurance companies of today. Typical free market theory has a relatively benign view of oligarchic markets, citing that the incentive for firms within the oligarchy to collude is offset by the incentive to dissolve the collusion, thus taking the market back to competition. Oligarchic firms have an incentive to collude together and agree to decrease output and increase the prices of their goods, raising their collective profits together. On the flip side of the coin, the incentive for an individual firm to cheat against their oligarchic agreement is quite strong. By cheating against the collusion agreement and increasing production output, prices will fall and the cheating firm alone will reap the profits based off of their increased output. The non-cheating firms would then have to increase their own outputs to ensure profitability, and the oligarchic market would be dissolved and the market will descend back into competition.

However, here is where standard free market theory needs to be adjusted. It is possible for oligarchic firms within a cartel to go to war with each other over market share. This is a possibility that is unique to an oligarchic market. Within the free market, competitive markets with relatively low barriers to entry have virtually no incentive to resort to violence in order to gain market share. The investment necessary to literally wipe out one's competition is far too high for such a market. For example, McDonalds would never go to war against Burger King for market share of the New York City area. Even if McDonalds overcame the sheer impossibility of such a feat and were completely successful in annihilating all the other fast food businesses in the New York City region, the relative ease with which an entrepreneur can start up another fast food business makes McDonald's violent victory a Pyrrhic one. The cost necessary for McDonalds to defeat their competitors will continue to increase because McDonalds would have to continue to invest a great deal of money into maintaining their market share. McDonalds would have to continue to use violence to squash every upstart fast food joint. Violence over market share within a competitive market is essentially a "black hole" investment.

However, for oligarchic markets, using violence to gain control of a competitor's market share becomes a far more reasonable option. This is especially true when the start-up capital needed to enter the oligarchic market is very high, not unlike the insurance business. The international capital market will be so involved with the oligarchic insurance firms that in order for any entrepreneur to gain entry into the insurance market, he would have to do so in a niche basis, meaning that the entrepreneur really is not competing against the oligarchic firms. The existing capital in the world would already be taken by these insurance markets.

For example, look at the major insurance companies of today. While there are many major insurance companies that specialize in different forms of insurance, there are really only a few major insurance companies for each type of insurance. EconomyWatch.com lists 109 major insurance companies that operate on a worldwide scale.[10] In a pure free market, it is reasonable to assume that the number of insurance firms will increase, causing a much greater percentage of world capital to be allocated towards insurance companies, with most of it likely headed to the major players. The world capital market will be so committed to the major insurance companies that it would basically be impossible for an upstart entrepreneur to achieve the capital needed to compete with the major insurance companies. Even today, it is almost impossible for an upstart entrepreneur to compete with the likes of Prudential or the American Financial Group. A free market insurance industry has the same natural barriers to entry that the modern insurance industry does; one simply cannot obtain the capital necessary to compete with these huge insurance corporations.

Because the natural barriers to entry are quite high in an oligarchic market, the costs of maintaining one's market share by violence are much lower than a more competitive market. Also, one's opponents are much less in number. Even if one's opponents are quite strong, it is much easier and cheaper to attempt to defeat a few competitors instead of a hundred.

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[10] "List of Major Insurance Companies Worldwide, Insurance Companies Worldwide." Economy Watch. http://www.economywatch.com/insurance-companies-worldwide.html (accessed October 13, 2009).

But more importantly, even though the cost and risk of market share violence is indeed high, the reward for such action is also very high. If McDonalds completely destroys one competitor and takes over their market share, McDonalds does not gain a huge chunk of the market because there are so many other competitors out there. However, if one firm in an oligarchic market bites the dust, that firm's competitors stand to make a hefty profit off of the busted firm's market share. The incentive for this kind of violence is quite strong. Oligarchic firm owners would simply view violence as an investment in future market shares and profits, calculating the possible risk and reward in such an endeavor. If the risks outweigh the potential rewards, then it is reasonable to believe that entrepreneurs who operate in oligarchic markets will engage in this type of activity.

It is even reasonable to believe that corporations can convince their shareholders of the necessity of going to war, however, these actions of war would most likely be carried out under the auspices of "defensive violence." Hoppe claims that "No propaganda effort, however elaborate, would make the public believe that its attack were anything but an aggression against innocent victims."[11] Hoppe is right when he says that unprovoked aggression is an impossible sell to the populace, but he neglects to consider the art of informational "spinning." The most likely way for an insurance company to go to war over market share would be to march soldiers *and* insurance employees into a competitor's market area. That way, the insurance company can claim that their employees were simply "under attack" by their competitor, thus legitimizing their aggression by masquerading as the victim. Hoppe is dead wrong when he says that no propaganda effort can legitimize aggression. Just look at Western history in the past 100

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[11] Hoppe (pp. 50)

years! People will believe whatever you want them to believe if you choose your words carefully. Hitler’s Germany, Barack Obama’s election promises, anything! Even with the difficulties that private or publically traded companies would encounter on the way to war, the ability and the incentives to do so are still present.

Even if we acknowledge that it is theoretically possible for oligarchic firms to go to war over market share, it is a completely separate issue to declare that such firms will actually do so. Theory and Practice are two separate things. However, if we look at our recent economic history, we can see that there is a historical precedent of oligarchic firms going to war over market share.

The Iraqi invasion of Kuwait during the First Gulf War in the early 1990’s was essentially an oligarchic conflict. Iraq and Kuwait both belong to the Organization of the Petroleum Exporting Countries (OPEC), a worldwide oil oligarchy that has immense control of the world’s oil supply. During the pre-war period, Iraq’s economy was still reeling from the eight year war against Iran. Also during this time, the prices for oil were at a very low level as a result of the “oil glut” that resulted from a worldwide drop in demand.[12] Iraq’s economy was primarily built on the oil industry, and the world wide drop in prices was drastically hurting Iraq’s economy. Saddam Hussein accused Kuwait of keeping oil prices low by keeping production outputs high (at the expense of Iraq’s economy) and also for pumping out too much oil from the shared oil field that lies underneath both of their nations.[13,14] Hussein used these economic reasons to validate his invasion into Kuwait.

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[12] Mouawad, Jad. "Oil Prices Pass Record Set in ’80s, but Then Recede." The New York Times. http://www.nytimes.com/2008/03/03/business/worldbusiness/03cnd-oil.html?_r=1&hp (accessed October 9, 2009).

[13] Smitha, Frank E. "Saddam Hussein and War in 1991." MacroHistory: World History. http://www.fsmitha.com/h2/ch36.htm (accessed October 9, 2009).

In essence, Hussein accused another cartel member of violating their collusion agreements and profiting off the loss of Iraqi oil revenue. His “firm” (the nation of Iraq) was being cheated by one of the other cartel members (Kuwait), and Hussein decided to use violence to settle the issue. The Gulf War was started over an oligarchic dispute over profits and a desire to increase Iraqi market share in the oil industry.

But before anyone objects by pointing out that this situation involved two governments and not a free market cartel, there are more historical examples of cartel violence. Columbian drug cartels of the 1980’s are the perfect example of oligarchic and cartel violence within the free market. These cartels operate on the black market without any government interference. The Cali and Medellín cocaine cartels worked together in many different realms of the cocaine industry, everything from political corruption and assassination to insuring cocaine shipments and even setting up a distribution network in Western Europe. However, these two cartels did engage in open warfare against each other for one reason—market share. The Medellín cartel, led by Pablo Escobar Gaviria, attempted to move their cocaine product into the New York City region, traditionally a Cali sphere of influence.[15] The cocaine cartels colluded together for increased protection and profits, but once the allure of greater profits through increased production grew too much, violence ensued. Not only is it theoretically possible for cartels and oligarchic firms to go to war with each other, it is actually possible because it has already happened.

Let us not forget that human beings do not always act “rational.” Though humanity has the wonderful gift of reason, we are indeed emotional beings, and sometimes, our emotions get the best of us. We cannot overlook this fact when

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[14] Stork, Joe, and Ann M Lesch. "Background to the Crisis: Why War?" *Middle East Report* 167 (1990): 11-18, http://www.jstor.org/stable/3012998.

[15] Lee, Rensselaer III. "Dimensions of the South American Cocaine Industry." *Journal of Interamerican Studies and World Affairs* 30 (1988): 87-103, http://www.jstor.org/stable/165981.

considering whether or not oligarchic insurance companies can go to war with each other over market share. Even if there are incentives in place to keep insurance companies from going to war with each other, we cannot rule out the possibility of a corporate CEO or company owner taking a collusion dispute personally. The CEO of colluding insurance company can decide that he does not care about the costs or negative consequences of market share warfare. If a very arrogant man is slighted, the tendency for retaliation is very prevalent. We know this simply from looking at human nature. The company leader may decide that a reputation of "you don't mess with us" is worth more than any other reputation, regardless of the cost.

Hoppe neglects to comment on the possibility of these insurance companies collude together, and thus ignores the fact that there are incentives for these insurance companies to go to war with each other over market share or a collusion dispute. However, the evidence of violence within the free market does not mean that we must completely do away with Hoppe's theory. Rather, solutions must be articulated in order to counter the incentives for the insurance companies to engage in anti-competitive or violent actions.

Society, as a whole, must first be made aware of the dangers inherent within the oligarchic insurance companies. People must be made to understand that they should never allow insurance companies to "divvy-up" geographical areas of market share. This can be possible if society simply does not accept exclusive insurance offers, or offers that require people to buy from only one insurance company or forgo insurance entirely. This demand for competition will keep the insurance companies from developing economic spheres of influence, which in turn, will greatly decrease the incentives to abuse the free market. The whole point of colluding together is not just to increase prices. For if a collusion agreement only involves production quotas, the insurance companies within the cartel would still be competing with each other over clients. The entire point of a cartel agreement is to decrease production, which raises prices, so that each individual firm can increase their revenue from their own respective markets. Without having access to their own markets, the insurance companies might as well not agree to decrease production. If you are already competing with each other on one level, one might as well compete on all of them to gain an advantage over your competitors.

However, if insurance companies do not have their own geographical area to exclusively sell insurance, they will be forced to compete with other insurance companies for clients. Also, even if the insurance companies come together and attempt to fix prices without having their own spheres of economic influence, their clients and employees will be so geographically intermixed that the benefits of any act of violence will be greatly outweighed by the negatives. There is no point in blowing up a rival's local insurance office if your customers live next door and your own local office is down the street. Not only is there a chance of hurting your own clients, but it is likely society will not view this type of reckless violence in a favorable light. In this situation, there is no way that corporations could induce society to believe that they are simply trying to expand their market share. Without a geographical sphere of influence to move into, insurance corporations would find it impossible to convince clients that they are reacting in a defensive manner. For example, a CEO for insurance company "x" would not be able to get in front of a television camera and say that his insurance company is under attack by insurance company "y" when just one week prior, both companies were coexisting peacefully within the same neighborhoods and cities. Clients of the aggressor insurance company will cancel their insurance policies, and consumers who were considering becoming clients of the aggressor insurance company will no longer do so. Changing the incentives for these insurance companies is the key to expiating the bad aspects of oligarchic competition.

Though there are many problems to Hoppe's theory of privatized protection, solutions are available. Watchdog firms must exist to report on the behavior of these insurance companies. Society must not be apathetic to the possibility potential abuses carried out by insurance companies. Both of these features are critical to a free market.

But in order for Hoppe's adjusted theory to become a reality, society must also be taught about *all* of the freedoms and potential problems involved with the free market. This responsibility lies with us, the libertarians. In order to promulgate the evils of government intervention and the freedoms found within Libertarianism, we must take on the responsibility of educating people about our theories. Libertarianism must become more mainstream instead of a niche of economic academia. The "Ron Paul Revolution" was cut down by an antagonistic media and a misinformed public, but that was just the first step. We have to throw off our stigma of being "extremists" or "anarchists," and the only way to do this is by education. Television and radio advertisements, a libertarian-only column in a national newspaper like the New York Times, or even a major Hollywood film that depicts free market ideals. We must continue to spread the libertarian gospel of freedom.