

## **NATURAL ORDER, THE STATE, AND THE IMMIGRATION PROBLEM**

Hans-Hermann Hoppe\*

### **I**

Human cooperation is the result of three factors: the differences among men and/or the geographical distribution of nature-given factors of production; the higher productivity achieved under the division of labor based on the mutual recognition of private property (the exclusive control of every man over his own body and his physical appropriations and possessions) as compared to either self-sufficient isolation or aggression, plunder and domination; and the human ability to recognize this latter fact. Were it not for the higher productivity of labor performed under division of labor and the human ability to recognize this fact, explains Ludwig von Mises,

men would have forever remained deadly foes of one another, irreconcilable rivals in their endeavors to secure a portion of the scarce supply of means of sustenance provided by nature. Each man would have been forced to view all other men as his enemies; his craving for the satisfaction of his own appetites would have brought him into an implacable conflict with all his neighbors. No sympathy could possibly develop under such a state of affairs.<sup>1</sup>

---

\*Professor of Economics at the University of Nevada at Las Vegas, and editor of *The Journal of Libertarian Studies*.

<sup>1</sup>Ludwig von Mises, *Human Action: A Treatise on Economics* (Auburn, Ala.: Ludwig von Mises Institute, 1998), p. 144. “Within the frame of social cooperation,” Mises explains, “there can emerge between members of society feelings of sympathy and friendship and a sense of belonging together. These feelings are the source of man’s most delightful and most sublime experiences. However, they are not, as some have asserted, the agents that have

The higher productivity achieved under the division of labor and man's ability to recognize this fact explain the origin of the most elementary and fundamental of human institutions: the family and the family household.<sup>2</sup> Second, it explains the fact of neighborhood (community) among homogeneous people (families, clans, tribes): of neighborhood in the form of adjacent properties owned by separate and "equal" owners and in the "unequal" form of the relationship characteristic of a father and his son, a landlord and his tenant, or a community founder and his follower-residents.<sup>3</sup> Third and most important for our purposes, it explains the possibility of the peaceful coexistence of heterogeneous and alien communities. Even if the members of different communities find each other physically and/or behaviorally strange, irritating, or annoying, and do not want to associate as neighbors, they may still engage in mutually beneficial trade if they reside spatially separated from each other.<sup>4</sup>

---

brought about social relationships. They are fruits of social cooperation, they thrive only within its frame; they did not precede the establishment of social relations and are not the seed from which they spring."

<sup>2</sup>As regards the family, Mises explains, "the mutual sexual attraction between male and female is inherent in man's animal nature and independent of any thinking and theorizing. It is permissible to call it original, vegetative, instinctive, or mysterious. . . . However, neither cohabitation, nor what precedes it and follows, generates social cooperation and societal modes of life. The animals too join together in mating, but they have not developed social relations. Family life is not merely a product of sexual intercourse. It is by no means natural and necessary that parents and children live together in the way they do in the family. The mating relation need not result in a family organization. The human family is an outcome of thinking, planning, and acting." *Human Action*, p. 167.

<sup>3</sup>See on this also Spencer H. MacCallum, *The Art of Community* (Menlo Park, Calif.: Institute for Humane Studies, 1970).

<sup>4</sup>Mises notes in this regard that "even if such a thing as a natural and inborn hatred between various races existed, it would not render social cooperation futile. . . . Social cooperation has nothing to do with personal love or with a general commandment to love one another. They cooperate because this best serves their own interests. Neither love nor charity nor any other sympathetic sentiments but rightly understood selfishness is what originally impelled man to adjust himself to the requirements of society, to respect the rights and freedoms of his fellow men and to substitute peaceful cooperation for enmity and conflict." *Human Action*, p. 168.

## Hoppe – Natural Order, the State, and the Immigration Problem

Let us broaden this picture and assume the existence of different races, ethnicities, languages, religions, and cultures (henceforth summarily: ethno-cultures). Based on the insight that “likes” associate with other likes and live spatially separated from “unlikes,” the following picture emerges: People of one ethno-culture tend to live in close proximity to one another and spatially separated and distant from people of another ethno-culture. Whites live among Whites and separate from Asians and Blacks. Italian speakers live among other Italians and separate from English speakers. Christians live among other Christians and separate from Muslims. Catholics live among Catholics and separate from Protestants, etc. Naturally, some “overlap” and “mixing” of different ethno-cultures in various “border-territories” exists. Moreover, as centers of interregional trade, cities naturally display a higher degree of ethno-cultural heterogeneity. This notwithstanding, however, neighborhoods and communities are internally homogeneous (uni-cultural). In fact, even in border territories and cities the same spatial association and separation of likes and unlikes is found. Nothing like a society where members of different ethno-cultures live as neighbors or in close physical proximity to each other (as propagated by some American multiculturalists) emerges. Rather, the emerging multiculturalism is one in which many distinctly different ethno-cultures coexist in physical-spatial separation and distant from one another, and trade with each other from afar.<sup>5</sup>

Let us take one more step and assume that all property is owned privately and the entire globe is settled. Every piece of land, every house and building, every road, river, and lake, every forest and mountain, and all of the coastline is owned by private owners or firms. No such thing as “public” property or “open frontier” exists. Let us take a look at the problem of migration under this scenario of a “natural order.”

---

<sup>5</sup>See also Hans-Hermann Hoppe, *Democracy—The God That Failed: The Economics and Politics of Monarchy, Democracy, and Natural Order* (New Brunswick, N.J.: Transaction Publishers, 2001), esp. chap. 9.

On the significance of race and ethnicity, and especially on “genetic similarity and dissimilarity” as a source of attraction and repulsion see J. Phillippe Rushton, *Race, Evolution, and Behavior* (New Brunswick, N.J.: Transaction Publishers, 1995); idem, “Gene-Culture, Co-Evolution, and Genetic Similarity Theory: Implications for Ideology, Ethnic Nepotism, and Geopolitics,” *Politics and the Life Sciences* 4 (1986); and Michael Levin, *Why Race Matters* (Westport, Conn.: Praeger, 1997).

First and foremost, in a natural order, there is no such thing as “freedom of migration.” People cannot move about as they please. Wherever a person moves, he moves on private property; and private ownership implies the owner’s right to include as well as to exclude others from his property. Essentially, a person can move only if he is invited by a recipient property owner, and this recipient-owner can revoke his invitation and expel his invitees whenever he deems their continued presence on his property undesirable (in violation of his visitation code).

There will be plenty of movement under this scenario because there are powerful reasons to open access to one’s property, but there are also reasons to restrict or close access. Those who are the most inclusive are the owners of roads, railway stations, harbors, and airports, for example. Interregional movement is their business. Accordingly, their admission standards can be expected to be low, typically requiring no more than the payment of a user fee. However, even they would not follow a completely non-discriminatory admission policy. For instance, they would exclude intoxicated or unruly people and eject all trespassers, beggars, and bums from their property, and they might videotape or otherwise monitor or screen their customers while on their property.

The situation for the owners of retail establishments, hotels, and restaurants is similar. They are in the business of selling and renting and thus offer easy access to their property. They have every economic incentive *not* to discriminate unfairly against “strangers” or “foreigners,” because this would lead to reduced profits or losses. However, they must be significantly more circumspect and restrictive in their admission policy than the owners of roads or airports. They must take into account the local-domestic repercussions that the presence of strangers may have. If local-domestic sales suffer due to a retailer’s or hotel’s open admission policy vis-à-vis foreigners, then discrimination *is* economically justified. In order to overcome this possible problem, commercial establishments can be expected to require of their “foreign” visitors at a minimum adherence to local standards of conduct and appearance.<sup>6</sup>

---

<sup>6</sup>On the law and economics of “affirmative action” and discrimination, see Richard A. Epstein, *Forbidden Grounds* (Chicago: University of Chicago Press, 1992); Walter Block and Michael Walker, eds., *Discrimination, Affirmative Action, and Equal Opportunity* (Vancouver, B.C.: Frazer Institute, 1982).

## Hoppe – Natural Order, the State, and the Immigration Problem

The situation is similar for local employers. They prefer lower to higher wage rates; hence, they are not predisposed against foreigners. However, they must be sensitive to the repercussions on the local labor force that may result from the employment of foreigners; that is, they must be fearful of the possibility that an ethno-culturally heterogeneous work force might lead to lower productivity. Moreover, employment requires housing, and it is in the residential housing and real estate market where discrimination against and exclusion of ethno-cultural strangers will tend to be most pronounced. For it is in the area of *residential* as contrasted to commercial property where the human desire to be private, secluded, protected, and undisturbed from external events and intrusions is most pronounced. The value of residential property to its owner depends essentially on its almost total exclusivity. Only family members and occasionally friends are included. And if residential property is located in a neighborhood, this desire for undisturbed possession—peace and privacy—is best accomplished by a high degree of ethno-cultural homogeneity (as this lowers transaction costs while simultaneously increasing protection from external disturbances and intrusions). By renting or selling residential property to strangers (and especially to strangers from ethno-culturally distant quarters), heterogeneity is introduced into the neighborhood. Transaction costs tend to increase, and the peculiar peace-and-privacy-security—the freedom from external, foreign intrusions—sought and expected of residential property tends to fall, resulting in lower residential property values.<sup>7</sup>

---

<sup>7</sup>Empirically, man's demand for ethno-cultural homogeneity in residential areas finds expression in two important institutional developments. On one hand, demand is accommodated by the development of proprietary communities—"gated" or "restrictive" communities or covenants—owned by a founder-developer and leased to follower-tenants. Here, from the outset, the owner imposes his own standards of community admission and membership conduct. The follower-tenants, in associating with the owner, agree to abide by this code. Of course, any such code restricts a person's range of permissible choices (as compared to the range available outside a proprietary community). By the same token, though, the code protects each community member from various forms of external disturbances. Presumably, in residing where they do community members demonstrate that they prefer the added "protection" offered by the code over its added "restrictiveness."

On the other hand, in communities of multiple independent proprietors, the demand for ethno-cultural homogeneity finds expression in the institution

Under the scenario of a natural order, then, it can be expected that there will be plenty of interregional trade and travel. However, owing to the natural discrimination against ethno-cultural strangers in the area of residential housing and real estate, there will be little actual migration, i.e., permanent resettlement. And whatever little migration there is, it will be by individuals who are more or less completely assimilated to their newly adopted community and its ethno-culture.<sup>8</sup>

## II

Let us now introduce the institution of a State. The definition of a State assumed here is rather uncontroversial: A State is an agency which possesses the exclusive monopoly of ultimate decision-making and conflict arbitration within a given territory. In particular, a State can insist that all conflicts involving itself be adjudicated by itself or its agents. Implied in the power to exclude all others from acting as ultimate judge, as the second defining element of a State, is its power to tax: to unilaterally determine the price justice seekers must pay to the State for its services as the monopolistic provider of law and order.<sup>9</sup>

---

of insurance (mutual or capital based). The essence of insurance is the grouping of individual risks into a pool (or class) of risks. However, in order to be so grouped, each individual risk must be “homogeneous” as regards the risk under consideration to every other individual risk within the same class. “Heterogeneous” risks either cannot be insured or must be insured separately (in different pools, jointly with other homogeneous risks, and at different prices). Ethno-cultural homogeneity of neighborhoods, then, is simply a device for making insurance against external threats and interferences possible and thus lowering the cost of residential property protection. Homogeneity facilitates mutual property insurance. Capital-based insurers will charge lower premiums for clusters of homogeneous territories (while at the same time revealing the different ranks in cultural development of various ethno-cultures, as reflected in the price-spread of the premium charged at different locations.)

<sup>8</sup>Mass migration, in contrast to small-scale individual migration of skilled laborers in pursuit of a more productive environment, is entirely a State-made phenomenon (see also section IV below). Most typically, mass migration is the outcome of inter-State warfare, State resettlement programs, group expulsion, or general economic destructionism.

<sup>9</sup>See Murray N. Rothbard, *For A New Liberty* (New York; Macmillan, 1978), esp. chap. 3; Murray N. Rothbard, *The Ethics of Liberty* (New York: New York University Press, 1998), esp. part III; Hans-Hermann Hoppe, *A Theory*

## Hoppe – Natural Order, the State, and the Immigration Problem

Certainly, based on this definition it is easy to understand why there might be a desire to establish a State. It is not, as we are told in kindergarten, in order to attain the “common good” or because there would be no order without a State, but for a reason far more selfish and base. For he who is a monopolist of final arbitration within a given territory can *make* and *create* laws in his own favor rather than recognize and apply existing law; and he who can legislate can also tax and thus enrich himself at the expense of others.

Here it is impossible to cover the fascinating question of how such an extraordinary institution as a State with the power to legislate and tax can possibly arise, except to note that ideologies and intellectuals play a decisive role.<sup>10</sup> Rather, States are assumed “given,” and the changes as regards migration that result from their existence will be considered.

First, with the establishment of a state and territorially defined state borders, “immigration” takes on an entirely new meaning. In a natural order, immigration is a person’s migration from one neighborhood-community into a different one (micro-migration). In contrast, under statist conditions immigration is immigration by “foreigners” from across state borders, and the decision whom to exclude or include, and under what conditions, rests not with a multitude of independent private property owners or neighborhoods of owners but with a single central (and centralizing) state-government as the ultimate sovereign of all domestic residents and their properties (macro-migration). If a domestic resident-owner invites a person and arranges for his access onto the resident-owner’s property but the government excludes this person from the state territory, it is a case of *forced exclusion* (a phenomenon that does not exist in a natural order). On the other hand, if the government admits a person while there is no domestic resident-owner who has invited this person onto his property, it is a case of *forced integration* (also non-existent in a natural order, where all movement is *invited*).

---

*of Socialism and Capitalism* (Boston: Kluwer 1989); also Franz Oppenheimer, *The State* (New York: Vanguard Press, 1914).

<sup>10</sup>See Hoppe, *Democracy—The God That Failed*; idem, “Natural Elites, Intellectuals, and the State,” (Auburn, Ala.: Ludwig von Mises Institute Pamphlet, 1995); Murray N. Rothbard, *For A New Liberty*, esp. chap. 7; idem, *Education: Free & Compulsory* (Auburn, Ala.: Ludwig von Mises Institute, 1999).

### III

In order to comprehend the significance of this change from decentralized admission by a multitude of property owners and owner-associations (micro-migration) to centralized admission by a state (macro-migration), and in particular to grasp the potentialities of forced integration under statist conditions, it is necessary first to briefly consider a state's policy of *domestic* migration. Based on the state's definition as a territorial monopolist of legislation and taxation and the assumption of "self-interest," the basic features of its policy can be predicted.

Most fundamentally, it can be predicted that the state's agents will be interested in increasing (maximizing) tax revenues and/or expanding the range of legislative interference with established private property rights, but they will have little or no interest in actually doing what a state is supposed to do: protecting private property owners and their property from domestic and foreign invasion.

More specifically, because taxes and legislative interference with private property rights are not paid voluntarily but are met with resistance, a state, to assure its own power to tax and legislate, must have an existential interest in providing its agents access to everyone and all property within the state's territory. In order to accomplish this, a state must take control of (expropriate) all existing private roads and then use its tax revenue to construct more and additional "public" roads, places, parks and lands, until everyone's private property borders onto or is encircled by public lands and roads.

Many economists have argued that the existence of public roads indicates an imperfection of the natural—free market—order. According to them, the free market "under-produces" the so-called "public" good of roads; and tax-funded public roads rectify this deficiency and enhance overall economic efficiency (by facilitating interregional movement and trade and lowering transaction costs). Obviously, this is a starry-eyed view of the situation.<sup>11</sup>

---

<sup>11</sup>On the fallacies of the theory of public goods see Murray N. Rothbard, *Man, Economy, and State* (Auburn, Ala.: Ludwig von Mises Institute, 1993), pp. 883–90; Hoppe, *A Theory of Socialism and Capitalism*, chap. 10; on roads in particular see Walter Block, "Public Goods and Externalities: The Case of Roads," *Journal of Libertarian Studies* 7, no. 1 (1983).

## Hoppe – Natural Order, the State, and the Immigration Problem

Free markets *do* produce roads, although they may well produce fewer and different roads than under statist conditions. And viewed from the perspective of a natural order, the increased production of roads under statist conditions represents not an improvement but an “over-production” or better yet “mal-production” of roads. Public roads are not simply harmless facilitators of interregional exchange. First and foremost, they are facilitators of state taxation and control, for on public roads the government’s taxmen, police, and military can proceed directly to everyone’s doorstep.<sup>12</sup>

In addition, public roads and lands lead to a distortion and artificial break-up of the spatial association and separation characteristic of a natural order. As explained, there are reasons to be close and inclusive, but there are also reasons to be physically distant and separated from others. The over-production of roads occurring under statist conditions means on the one hand that different communities are brought into greater proximity to one another than they would have preferred (on grounds of demonstrated preference). On the other hand, it means that one coherent community is broken up and divided by public roads.<sup>13</sup>

Moreover, under the particular assumption of a *democratic* state even more specific predictions can be made. Almost by definition, a state’s territory extends over several ethno-culturally heterogeneous communities, and dependent on recurring popular elections, a state-government will predictably engage in redistributive policies.<sup>14</sup> In an ethno-culturally mixed territory this means playing one race, tribe, linguistic or religious group against another; one class within any one of these groups against another (the rich vs. the poor, the capitalists vs. the workers, etc.); and finally, mothers against fathers and children against parents. The resulting income and wealth redistribution is complex and varied. There are simple transfer payments from one

---

<sup>12</sup>Even the famed roadways of ancient Rome were typically regarded as a *plague* (rather than an advantage) because they were essentially military rather than trade routes. See Max Weber, *Soziologie, Weltgeschichtliche Analysen, Politik* (Stuttgart: Kroener, 1964), p. 4.

<sup>13</sup>See also Edward Banfield, *The Unheavenly City Revisited* (Boston: Little, Brown, 1974).

<sup>14</sup>On the practical impossibility of democracy (majority rule) in multi-ethnic states, see Ludwig von Mises, *Nation, State, and Economy* (New York: New York University Press, 1983).

group to another, for instance. However, redistribution also has a spatial aspect. In the realm of spatial relations it finds expression in an ever more pervasive network of non-discriminatory “affirmative action” policies imposed on private property owners.

An owner’s right to exclude others from his property is the means by which he can avoid “bads” from happening: events that will lower the value of his property. By means of an unceasing flood of redistributive legislation, the democratic state has worked relentlessly not only to strip its citizens of all arms (weapons) but also to strip domestic property owners of their right of exclusion, thereby robbing them of much of their personal and physical protection. Commercial property owners such as stores, hotels, and restaurants are no longer free to exclude or restrict access as they see fit. Employers can no longer hire or fire who they wish. In the housing market, landlords are no longer free to exclude unwanted tenants. Furthermore, restrictive covenants are compelled to accept members and actions in violation of their very own rules and regulations. In short, forced integration is ubiquitous, making all aspects of life increasingly uncivilized and unpleasant.<sup>15</sup>

#### IV

With this backdrop of domestic state policies we can return to the problem of immigration under statist conditions. It is now clear what state admission implies. It does not merely imply centralized admission. By admitting someone onto its territory, the state also permits this person to proceed on public roads and lands to every domestic resident’s doorsteps, to make use of all public facilities and services (such as hospitals and schools), and to access every commercial establishment, employment, and residential housing, protected by a multitude of non-discrimination laws.<sup>16</sup>

---

<sup>15</sup>See also Murray N. Rothbard, “Marshall, Civil Rights and the Courts,” in Llewellyn H. Rockwell, Jr., ed., *The Irrepressible Rothbard* (Burlingame, Calif.: Center for Libertarian Studies, 2000), pp. 370–77; Michael Levin, “The President as Social Engineer,” in John V. Denson, ed., *Reassessing the Presidency* (Auburn, Ala.: Ludwig von Mises Institute, 2001), pp. 651–66.

<sup>16</sup>“If every piece of land in a country were owned by some person, group or corporation,” elaborates Murray N. Rothbard, “this would mean that no immigrant could enter unless invited to enter and allowed to rent or purchase property. A totally privatized country would be as closed as the particular inhabitants and property owners desire. It seems clear, then, that the regime

## Hoppe – Natural Order, the State, and the Immigration Problem

Only one more element is missing in this reconstruction. Why would *immigration* ever be a problem for a state? Who would want to migrate from a natural order into a statist area? A statist area would tend to lose its residents, especially its most productive subjects. It would be an attraction only for potential state-welfare recipients (whose admission would only further strengthen the emigration tendency). If anything, *emigration* is a problem for a State. In fact, the institution of a State is a *cause* of emigration; indeed, it is the most important or even the sole cause of modern *mass* migrations (more powerful and devastating in its effects than any hurricane, earthquake or flood and comparable only to the effects on migration of the various ice-ages).

What has been missing in this reconstruction is the assumption of a multitude of states partitioning the entire globe (the absence of natural orders anywhere). Then, as one state causes mass emigration, another state will be confronted with the problem of mass immigration; and the general direction of mass migration movements will be from territories where states exploit (legislatively expropriate and tax) their subjects more (and wealth accordingly tends to be lower) to territories where states exploit less (and wealth is higher).

We have finally arrived in the present, when the Western world—Western Europe, North America, and Australia—is faced with the specter of State-caused mass immigration from all over the rest of the world. What can and is being done about this situation?

Out of sheer self-interest States will not adopt an “open border” policy. If they did, the influx of immigrants would quickly assume such proportions that the domestic state-welfare system would collapse. On the other hand, the Western welfare states do not prevent tens or even hundreds of thousands (and in the case of the United States well in excess of a million) of uninvited foreigners per year from entering and settling their territories. Moreover, as far as legal

---

of open borders that exists *de facto* in the U.S. really amounts to a compulsory opening by the central state, the state in charge of all streets and public land areas, and does not genuinely reflect the wishes of the proprietors.” “Nations by Consent: Decomposing the Nation-State,” *Journal of Libertarian Studies* 11, no. 2 (1994), p. 7. On U.S. immigration, see Peter Brimelow, *Alien Nation: Common Sense About America’s Immigration Disaster* (New York: Random House, 1995); George J. Borjas, *Friends or Strangers: The Impact of Immigrants on the U.S. Economy* (New York: Basic Books, 1990); idem, *Heaven’s Door: Immigration Policy and the American Economy* (Princeton, N.J.: Princeton University Press, 1999).

(rather than tolerated illegal) immigration is concerned, the Western welfare states have adopted a non-discriminatory “affirmative action” admission policy. That is, they set a maximum immigration target and then allot quotas to various emigration countries or regions, irrespective of how ethno-culturally similar or dissimilar such places and regions of origin are, thus further aggravating the problem of forced integration. As well, they typically allow an “open” (unspecified) number of “political asylum” seekers to enter—of government approved “victim” groups (and at the exclusion of other, “politically incorrect” victims).<sup>17</sup>

In light of the unpopularity of this policy, one might wonder about the motive for engaging in it. However, given the nature of the state it is not difficult to discover a rationale. States, as will be recalled, are also promoters of forced domestic integration. Forced integration is a means of breaking up all intermediate social institutions and hierarchies (in between the state and the individual) such as family, clan,

---

<sup>17</sup>Typically, it is easier for a certified “political” mass murderer, such as a socialist dictator, for instance, who has been overthrown by another, to gain entrance into Western countries than it is for the (his) “true” victims.

While he who qualifies as a victim changes with the political winds, a relative constant in Western asylum policy is the preference for Jewish immigration (at the exclusion of non-Jews). In the U.S., for instance, it has been a long-standing tradition that Jews from the former Soviet Union qualify as “victims,” while regular Russians or Ukrainians do not. Not to be outdone, Germany currently accepts every Russian Jew who desires entrance, but excludes as non-victims all other Russians. Consequently, the demand for German asylum among Russian “Jews,” two thirds of whom are supported entirely through “public” welfare, has risen to such a level that the Central Committee of Jews in Germany demanded of the German government (successfully) that applicants be “tested” for Jewishness. Essentially, the test is the same as that employed by the National Socialists in the infamous Nuremberg Race Laws of 1934 (while it is used to the opposite effect), which in turn was based on the official (self-acknowledged) religious strictures of orthodox Judaism. Incidentally, Israel, which defines itself as “a Jewish State,” practically prohibits all immigration by non-Jews (while allowing any Jew from anywhere, under the Law of Return, to enter Israel with full citizenship rights). Ninety-two percent of Israel’s land is state-owned and regulated by the Jewish National Fund. According to its regulations, the right to reside, to open a business, and frequently also to work on this land is prohibited to anyone except Jews. While Jews may rent from non-Jews, non-Jews are prohibited from renting from Jews. See Israel Shahak, *Jewish History, Jewish Religion* (London: Pluto Press, 1994), esp. chap. 1.

## Hoppe – Natural Order, the State, and the Immigration Problem

tribe, community, and church and their internal layers and ranks of authority. Through forced integration individuals are isolated (atomized) and their power of resistance vis-à-vis the State is weakened.<sup>18</sup> In the “logic” of the state, a hefty dose of foreign invasion, especially if it comes from strange and far-away places, is reckoned to further strengthen this tendency. And the present situation offers a particularly opportune time to do so, for in accordance with the inherently centralizing tendency of States and statism generally and promoted here and now in particular by the U.S. as the world’s only remaining superpower, the Western world—or more precisely the neoconservative-socialdemocratic elites controlling the state governments in the U.S. and Western Europe—is committed to the establishment of supra-national states (such as the European Union) and ultimately one world state. National, regional or communal attachments are the main stumbling blocks on the way to this goal. A good measure of uninvited foreigners and government imposed multiculturalism is calculated to further weaken and ultimately destroy national, regional, and communal identities and thus promote the goal of a One World Order, led by the U.S., and a new “universal man.”<sup>19</sup>

## V

What if anything can be done to spoil these statist designs and regain security and protection from invasion, whether domestic or foreign? Let us begin with a proposal made by the editors of the *Wall Street Journal*, the Cato Institute, the Foundation for Economic Education, and various left-libertarian writers of an “open” or “no” border policy—not because this proposal has any merit, but because it helps to elucidate what the problem is and what needs to be done to solve it.

---

<sup>18</sup>See also Robert A. Nisbet, *Community and Power* (New York: Oxford University Press, 1962; idem, *Conservatism* (Minneapolis: University of Minnesota Press, 1986).

<sup>19</sup>For a summary presentation of the neoconservative worldview, see Francis Fukuyama, *The End of History and the Last Man* (New York: Avon Books, 1993); for a critical assessment of the neoconservatives and their agenda, see Paul Gottfried, *The Conservative Movement* (New York: Twayne Publishers, 1993); idem, *After Liberalism* (Princeton, N.J.: Princeton University Press, 1999). For a brilliant literary treatment of the subject of mass immigration and the Western welfare state, see Jean Raspail, *The Camp of the Saints* (New York: Charles Scribner’s Sons, 1975).

It is not difficult to predict the consequences of an open border policy in the present world. If Switzerland, Austria, Germany or Italy, for instance, freely admitted everyone who made it to their borders and demanded entry, these countries would quickly be overrun by millions of third-world immigrants from Albania, Bangladesh, India, and Nigeria, for example. As the more perceptive open-border advocates realize, the domestic state-welfare programs and provisions would collapse as a consequence.<sup>20</sup> This would not be a reason for concern, for surely, in order to regain effective protection of person and property the welfare state must be abolished. But then there is the great leap—or the gaping hole—in the open border argument: out of the ruins of the democratic welfare states, we are led to believe, a new natural order will somehow emerge.

The first error in this line of reasoning can be readily identified. Once the welfare states have collapsed under their own weight, the masses of immigrants who have brought this about are still there. They have not been miraculously transformed into Swiss, Austrians, Bavarians or Lombards, but remain what they are: Zulus, Hindus, Ibos, Albanians, or Bangladeshis. Assimilation can work when the number of immigrants is small. It is entirely impossible, however, if immigration occurs on a mass scale. In that case, immigrants will simply transport their own ethno-culture onto the new territory. Accordingly, when the welfare state has imploded there will be a multitude of “little” (or not so little) Calcuttas, Daccas, Lagoses, and Tiranans strewn all over Switzerland, Austria, and Italy. It betrays a breathtaking sociological naiveté to believe that a natural order will emerge out of this admixture. Based on all historical experience with such forms of multiculturalism, it can safely be predicted that in fact the result will be civil war. There will be widespread plundering and squatterism leading to massive capital consumption, and civilization as we know it will disappear from Switzerland, Austria and Italy. Furthermore, the host population will quickly be outbred and, ultimately, physically displaced by their “guests.” There will still be Alps in Switzerland and Austria, but no Swiss or Austrians.<sup>21</sup>

---

<sup>20</sup>See, for instance, Walter Block, “A Libertarian Case for Free Immigration,” *Journal of Libertarian Studies* 13, no. 2 (1998).

<sup>21</sup>Peter Brimelow, *Alien Nation*, pp. 124–27, has provided some recent evidence for the thesis that no multicultural state, and especially no democratic one, has ever worked peacefully for very long. Working back from the present,

## Hoppe – Natural Order, the State, and the Immigration Problem

However, the error in the open border proposal goes further than its dire consequences. The fundamental error of the proposal is moral or ethical in nature and lies in its assumption. It is the underlying assumption that foreigners are “entitled,” or have a “right,” to immigrate. In fact, they have no such right whatsoever.

Foreigners would have a right to enter Switzerland, Austria or Italy only if these places were uninhabited (unowned) territories. However, they *are* owned, and no one has a right to enter territories that others own unless invited by the owner. Nor is it permissible to argue, as some open border proponents have done, that while foreigners may

---

here is the evidence: *Eritrea*, ruled by Ethiopia since 1952, splits off in 1993; *Czechoslovakia*, founded in 1918, splits into Czech and Slovak ethnic components in 1993; the *Soviet Union* of 1917 splits into multiple ethnic components in 1991, and many of these components are threatened with further ethnic fragmentation; *Yugoslavia*, founded in 1918, splits into several ethnic components in 1991, and further breakup is still under way; *Lebanon*, founded in 1920, has effectively partitioned Christians and Muslims (under Syrian domination) since 1975; *Cyprus*, independent since 1960, effectively partitions Greek and Turkish territories in 1974; *Pakistan*, independent since 1947, ethnically distinct Bangladesh splits off in 1971; *Malaysia*, independent since 1963, Chinese-dominated Singapore is expelled in 1965. The list goes on with still unresolved cases: *India* and the Sikhs and Kashmiris; *Sri Lanka* and the Tamils; *Turkey*, *Iraq* and *Iran* and the Kurds; *Sudan* and *Chad* and the Arabs versus Blacks; *Nigeria* and the Ibos; *Ulster* and the Protestants versus the Catholics; *Belgium* and the Flemish versus the Walloons; *Italy* and the German-speaking South Tyrolians; *Canada* and the French versus the English; *Zimbabwe* and *South Africa* and Blacks versus Whites.

Yet, is not Switzerland, with an assemblage of Germans, French, Italians, and Romansh an exception? Hardly. All essential powers in Switzerland, in particular those determining educational and cultural matters (schools), are concentrated in the hands of the cantons rather than in those of the central government. And almost all of the twenty-six cantons and half-cantons are ethno-culturally homogeneous. Seventeen cantons are almost exclusive German; four cantons are almost exclusively French; and one canton is predominantly Italian. Only three cantons are bilingual, the Swiss ethno-cultural balance has been essentially stable, and there is only a limited amount of inter-cultural-cantonal migration. Even given these favorable circumstances, Switzerland did experience an unsuccessful, violently suppressed war of secession, the Sonderbundskrieg of 1847. Furthermore, the creation of the new, breakaway French-speaking canton of Jura from the predominantly German canton of Berne in 1979 was preceded by years of terrorist activity.

not enter *private* property without the owner's permission they may do so with *public* property. In their eyes, public property is akin to unowned property and thus "open" to everyone, domestic citizen and foreigners alike.<sup>22</sup> However, this analogy between public property and unowned resources is wrong. There is a categorical difference between unowned resources (open frontier) and public property. Public property is the result of State-government confiscations—of legislative expropriations and/or taxation—of originally privately owned property. While the State does not *recognize* anyone as its private owner, all of government controlled public property has in fact been brought about by the tax-paying members of the domestic public. Austrians, Swiss, and Italians, in accordance with the amount of taxes paid by each citizen, have funded the Austrian, Swiss, and Italian public property. Hence, *they* must be considered its legitimate owners. Foreigners have not been subject to domestic taxation and expropriation; hence, they cannot claim any rights regarding Austrian, Swiss or Italian public property.

The recognition of the moral status of public property as expropriated private property is not just sufficient grounds for rejecting the open border proposal as a moral outrage. It is equally sufficient for combating the present semi-open "affirmative action" immigration policies of the Western welfare States.

Up to now, in the debate on immigration policy too much emphasis has been placed on consequentialist (utilitarian) arguments. Apologists of the *status quo* have argued that most immigrants work and become productive, so immigration contributes to a rising domestic standard of living. Critics have argued that the existing State-welfare institutions and provisions increasingly invite welfare-immigration, and they have warned that the only advantage of the current policies over the open border alternative is that the former will take decades until it ultimately leads to similarly dire effects, while the latter will produce such effects within years. As important as the resolution of these issues is, it is not decisive. The opposition against current immigration policies is ultimately independent of whether immigration will make per capita GDP (or similar statistical measures) rise or fall. It is a matter of justice: of right and wrong.

Understandably, the democratic welfare States try to conceal the *source* of public property (i.e., acts of expropriation). However, they

---

<sup>22</sup>See, for instance, Block, "A Libertarian Case for Free Immigration."

## Hoppe – Natural Order, the State, and the Immigration Problem

do acknowledge that public property is “somehow” the property of their citizens and that they are the citizens’ trustees in regard to public property. Indeed, the modern State’s *legitimacy* is derived from its claim to protect its citizens and their property from domestic and foreign invaders, intruders, and trespassers. Regarding foreigners, this would require that the state act like the gatekeepers in private gated communities. The State would have to check every newcomer for an invitation and monitor his movement while en route to his final destination. Once it is made clear that the government actually tolerates or even promotes the intrusion and invasion of masses of aliens who by no stretch of the imagination can be deemed welcome or invited by domestic residents, this is or may become a threat to a government’s legitimacy and exert enough pressure on it to adopt a more restrictive and discriminatory admission policy.<sup>23</sup>

---

<sup>23</sup> Against many left-libertarian open border enthusiasts, it is incorrect to infer from the fact that an immigrant has found someone willing to employ him that his presence on a given territory must henceforth be considered “invited.” Strictly speaking, this conclusion is true only if the employer also assumes the full costs associated with the importation of his immigrant-employee. This is the case under the much-maligned arrangement of a “factory town” owned and operated by a proprietor. Here, the full cost of employment, the cost of housing, healthcare, and all other amenities associated with the immigrant’s presence, is paid for by the proprietor. No one else’s property is involved in the immigrant-worker settlement. Less perfectly (and increasingly less so), this full-cost-principle of immigration is realized in Swiss immigration policy. In Switzerland immigration matters are decided on the local rather than federal government level, by the local owner-resident community in which the immigrant wants to reside. These owners are interested that the immigrant’s presence in their community increase rather than decrease their property values. In places as attractive as Switzerland, this typically means that the immigrant (or his employer) is expected to buy his way into a community, which often requires multimillion dollar donations.

Unfortunately, welfare states are not operated like factory towns or even Swiss communities. Under welfare-statist condition the immigrant employer must pay only a small fraction of the full costs associated with the immigrant’s presence. He is permitted to socialize (externalize) a substantial part of such costs onto other property owners. Equipped with a work permit, the immigrant is allowed to make free use of every public facility: roads, parks, hospitals, schools, and no landlord, businessman, or private associated is permitted to discriminate against him as regards housing, employment, accommodation, and association. That is, the immigrant comes invited with a substantial fringe

benefits package paid for not (or only partially) by the immigrant employer (who allegedly has extended the invitation), but by other domestic proprietors as taxpayers who had no say in the invitation whatsoever. This is not an “invitation,” as commonly understood. This is an imposition. It is like inviting immigrant workers to renovate one’s own house while feeding them from other people’s refrigerators. Consequently, because the cost of importing immigrant workers is lowered, more employer-sponsored immigrants will arrive than otherwise. Moreover, the character of the immigrant changes, too. While Swiss communities choose well-heeled, highly value-productive immigrants, whose presence enhances communal property values all-around, employers under democratic welfare State conditions are permitted by state law to externalize their employment costs on others and tend to import increasingly cheap, low-skilled and low value-productive immigrants, regardless of their effect on all-around communal property values.

Theoretically bankrupt, the left-libertarian open border stance can be understood only psychologically. One source can be found in the Randian upbringing of many left-libertarians. Big businessmen-entrepreneurs are portrayed as “heroes” and, according to Ayn Rand in one of her more ridiculous statements, are viewed as the welfare state’s “most severely persecuted minority.” In this view (and untainted by any historical knowledge or experience), what can possibly be wrong with a businessman hiring an immigrant worker? In fact, as every historian knows, big businessmen are among the worst sinners against private property rights and the law of the market. Among other things, in an unholy alliance with the central State they have acquired the privilege of importing immigrant workers at other people’s expense (just as they have acquired the privilege of exporting capital to other countries and being bailed out by taxpayers and the military when such investments turn sour).

A second motive for the open border enthusiasm among contemporary left-libertarians is their egalitarianism. They were initially drawn to libertarianism as juveniles because of its “antiauthoritarianism” (trust no authority) and seeming “tolerance,” in particular toward “alternative”—non-bourgeois—lifestyles. As adults, they have been arrested in this phase of mental development. They express special “sensitivity” in every manner of discrimination and are not inhibited in using the power of the central state to impose non-discrimination or “civil rights” statutes on society. Consequently, by prohibiting other property owners from discrimination as they see fit, *they* are allowed to live at others’ expense. They can indulge in their “alternative” lifestyle without having to pay the “normal” price for such conduct, i.e., discrimination and exclusion. To legitimize this course of action, they insist that one lifestyle is as good and acceptable as another. This leads first to multiculturalism, then to cultural relativism, and finally to “open borders.” See further on this Hoppe, *Democracy—The God That Failed*, esp. chap. 10.

## Hoppe – Natural Order, the State, and the Immigration Problem

But this can only be the beginning; even if public opinion induced the state to adopt an immigration stance more in accordance with popular sentiments and justice, this fact would not change that the interests of private property owners and those of the State as a territorial monopolist of legislation and taxation are incompatible and in permanent conflict with each other. A State is a contradiction in terms: it is a property protector who may expropriate the property of the protected through legislation and taxation. Predictably, a State will be interested in maximizing its tax revenues and power (its range of legislative interference with private property rights) and disinterested in protecting anything except itself. What we experience in the area of immigration is only one aspect of a general problem. States are also supposed to protect their citizen from domestic intrusion and invasion, yet as we have seen, they actually disarm them, encircle them, tax them, and strip them of their right to exclusion, thus rendering them *helpless*.

Accordingly, the solution to the immigration problem is at the same time the solution to the general problem inherent in the institution of a State and of public property. It involves the return to a natural order by means of secession. To regain security from domestic and foreign intrusion and invasion, the central nation States will have to be broken up into their constituent parts. The Austrian and the Italian central States do not own Austrian and Italian public property; they are its citizens' trustees. Yet they do not protect them and their property. Hence, just as the Austrians and the Italians (and not foreigners) are the owners of Austria and Italy, so by extension of the same principle do the Carinthians and the Lombards (in accordance with individual tax payments) own Carinthia and Lombardy, and the Bergamese Bergamo (and not the Viennese and the Roman governments).

In a decisive first step, individual provinces, regions, cities, towns and villages must declare their independence from Rome, Vienna, Berlin, Paris, and proclaim their status as "free territories." Extensive efforts by the central States to the contrary notwithstanding, strong provincial affiliations and attachments still exist in many regions, cities and villages all across Europe. It is vital to tap into these provincial and local sentiments in taking this first step. With every successive act of regional secession the power of the central State will be diminished. It will be stripped of more of its public property, its agents' range of access will increasingly be restricted, and its laws will apply in smaller and smaller territories, until it ultimately withers away.

However, it is essential to go beyond “political secession” to the *privatization* of property. After all, provincial and local political bodies (governments) have no more right to provincial property than the central government had to national property. The secession process must proceed further. Provincial or communal public property: roads, parks, government buildings, schools, courthouses, etc., must be returned to their genuine *private* owners and owner associations. Who owns what share of provincial or communal property? In principle, each owns according to his (compulsory) contribution to this property! In the case in which private property was expropriated by local government for purposes of “eminent domain,” the property is simply returned to its original owner. As for the rest (and most) of public property, tradable property shares should be distributed among community members in accordance with their individual tax-payments. Every public road, park, school, etc., was funded by taxpayers; hence, local taxpayers, in accordance with their tax payments, should be awarded local public property.<sup>24</sup> This has a twofold implication. First, some residents have paid more taxes than others, so it is only natural and just that the former should be awarded more shares than the latter. Second and more specifically, some residents will be excluded altogether from receiving public property shares. For one, welfare recipients should be excluded. Presumably, they have paid no taxes but lived instead on taxes paid by others. Hence, they cannot claim any ownership share in public property. Likewise, all government officials and civil servants must be excluded from receiving ownership shares in public property, for their net (after tax) salary has been paid out of taxes paid by others. Just like welfare recipients, civil servants have not been *tax-payers* but *tax-consumers*. Hence, they too have no claim to communal property.<sup>25</sup>

---

<sup>24</sup>It should be emphasized that the distributed property shares must be *tradable* in order to constitute genuine *private* property. On the one hand, the tradability of shares makes it possible that people can cash-in (sell) their property. Not everyone has the patience and is willing to assume the risk associated with the ownership of capital goods. On the other hand, by the same token tradability makes it possible that the shares can be bought and put to productive use by capitalist-entrepreneurs who do have the requisite patience and are willing to assume the associated risk (of profit *and* loss).

<sup>25</sup>To be sure, a number of complications would arise with this privatization strategy. In order to determine the ownership shares granted to various individuals in buildings and structures currently owned by federal, regional, and

## Hoppe – Natural Order, the State, and the Immigration Problem

With the central state withered away and the privatization of public property complete, the right to exclusion inherent in private property and essential for personal security and protection is returned into the hands of a multitude of independent private decision-making units. Immigration once again becomes a micro-phenomenon and disappears as a social “problem.”

### BIBLIOGRAPHY

- Banfield, Edward. *The Unheavenly City Revisited*. Boston: Little, Brown, 1974.
- Block, Walter. “Public Goods and Externalities: The Case of Roads.” *Journal of Libertarian Studies* 7, no. 1 (1983).
- . “A Libertarian Case for Free Immigration.” *Journal of Libertarian Studies* 13, no. 2 (1998).
- Block, Walter, and Michael Walker, editors. *Discrimination, Affirmative Action, and Equal Opportunity*. Vancouver: Frazer Institute, 1982.
- Borjas, George J. *Friends or Strangers: The Impact of Immigrants on the U.S. Economy*. New York: Basic Books, 1990.
- . *Heaven’s Door: Immigration Policy and the American Economy*. Princeton, N.J.: Princeton University Press, 1999.
- Brimelow, Peter. *Alien Nation: Common Sense About America’s Immigration Disaster*. New York: Random House, 1995.
- Epstein, Richard A. *Forbidden Grounds*. Chicago: University of Chicago Press, 1992.
- Fukuyama, Francis. *The End of History and the Last Man*. New York: Avon Books, 1993.
- Gottfried, Paul. *The Conservative Movement*. New York: Twayne Publishers, 1993.

---

local governments, these individuals would have to provide documentation of their past payments of federal, regional and local taxes respectively, and in each case past welfare payments received must be deducted from taxes paid in order to arrive at a figure for the amount of *net* taxes paid. In a fully privatized market society, the task of finding a detailed solution to this problem would be typically assumed by private accountants, lawyers, and arbitration agencies, financed directly or indirectly, for a contingency fee, by the individual claimants.

Journal of Libertarian Studies

- . *After Liberalism*. Princeton, N.J.: Princeton University Press, 1999.
- Hoppe, Hans-Hermann. *A Theory of Socialism and Capitalism*. Boston: Kluwer 1989.
- . “Natural Elites, Intellectuals, and the State.” Auburn, Ala.: Ludwig von Mises Institute Pamphlet, 1995.
- . *Democracy—The God That Failed. The Economics and Politics of Monarchy, Democracy, and Natural Order*. New Brunswick, N.J.: Transaction Publishers, 2001.
- Levin, Michael. *Why Race Matters*. Westport, Conn.: Praeger, 1997.
- . “The President as Social Engineer.” In *Reassessing the Presidency*, edited by John V. Denson. Auburn, Ala.: Ludwig von Mises Institute, 2001.
- MacCallum, Spencer H. *The Art of Community*. Menlo Park, Calif.: Institute for Humane Studies, 1970.
- Mises, Ludwig von. *Nation, State, and Economy*. New York: New York University Press, 1983.
- . *Human Action. A Treatise on Economics*. Auburn, Ala.: Ludwig von Mises Institute 1998.
- Nisbet, Robert A. *Community and Power*. New York: Oxford University Press, 1962.
- . *Conservatism*. Minneapolis: University of Minnesota Press, 1986.
- Oppenheimer, Franz. *The State*. New York: Vanguard Press, 1914.
- Raspail, Jean. *The Camp of the Saints*. New York: Charles Scribner’s Sons, 1975.
- Rothbard, Murray N. *For A New Liberty*. New York; Macmillan, 1978.
- . *Man, Economy, and State*. Auburn, Ala.: Ludwig von Mises Institute, 1993.
- . “Nations by Consent: Decomposing the Nation-State.” *Journal of Libertarian Studies* 11, no. 2 (1994).
- . *The Ethics of Liberty*. New York: New York University Press, 1998.
- . *Education: Free & Compulsory*. Auburn, Ala.: Ludwig von Mises Institute, 1999.
- . “Marshall, Civil Rights and the Courts.” In *The Irrepressible Rothbard*, edited by Llewellyn H. Rockwell, Jr. Burlingame, Calif.: Center for Libertarian Studies, 2000.

Hoppe – Natural Order, the State, and the Immigration Problem

Rushton, J. Phillippe. “Gene-Culture, Co-Evolution, and Genetic Similarity Theory: Implications for Ideology, Ethnic Nepotism, and Geopolitics.” *Politics and the Life Sciences* 4 (1986).

———. *Race, Evolution, and Behavior*. New Brunswick, N.J.: Transaction Publishers, 1995.

Shahak, Israel. *Jewish History, Jewish Religion*. London: Pluto Press, 1994.

Weber, Max. *Soziologie, Weltgeschichtliche Analysen, Politik*. Stuttgart: Kroener, 1964.