**SECTION FOUR: STATE AND SOCIETY**  
  
**CHAPTER NINE: Relevance of State, Society, and Obedience to Crypto**  
  
The wall separating state and society is crumbling. Or, rather, the state is taking a jackhammer to it in an aggressive attempt to control every aspect of productive and cooperative life…The people you deal with on a daily basis are ceasing to be good neighbors, honest merchants, and disinterested strangers. They are becoming state informants who monitor your expression, your money, your behavior and attitude in order to report you to the authorities. They are ceasing to be “society” and becoming instead “the state.”—[Murray Rothbard](https://mises.org/library/forsaking-society-state), “Society without a State”  
  
Classical liberalism draws a sharp distinction between the state and society, which cryptocurrency adopts. Crypto was not designed to mimic state-issued currency or  
  
state-controlled monetary systems. Its structure and function was created to empower the individual through providing a state-free means of achieving financial independence. Its ends and its means are as uniquely compatible with society as they are antagonistic to the state.  
  
The concepts and realities of state, society, and obedience are the context in which Bitcoin was born and in which crypto now operates. To understand crypto’s past, present, and future, it is necessary to understand these concepts.  
  
**The Structure of State, Society, and Crypto**  
  
The problem of the Means is, as I see it, a twofold problem: first, the problem of End and Means; second, the problem of the People and the State, that is, the means by which the people can supervise or control the State….Means must be proportioned and appropriate to the end, since they are ways to the end, so to speak, the end itself in its very process of coming to existence. So that applying intrinsically evil means to attain an intrinsically good end is simple nonsense and a failure.—Jacques Maritain, *Man and the State*  
  
A simple method by which to understand the difference between the state and society is to analyze their means and ends.  
  
The end of a state is to regulate society in order to maintain its existence and enforce its privileges. Its primary privilege is a monopoly on the exercise of violence over the people and property within a defined territory. The state uses force in the form of law or the threat of law to impose its policies. Behind every law is a gun with the possibility of violence erupting if the law is not obeyed. The state prefers to elicit compliance, however, rather than to punish anyone because punishment is a clumsy process that could inspire resistance. The state prioritizes the acquisition of wealth because it produces nothing and has no revenue except what is derived from others through threats or violence. Otherwise phrased, those in power use a monopoly of force as the means to create and sustain the goal of privilege.  
  
Society is the voluntary interaction of individuals along with the institutions that evolve from the associations. An institution is a custom, behavioral pattern, or relationship within the dynamic of a society; marriage, a church, or the family are illustrations. Money is a vital institutions to both the state and society.  
  
The goal of society—if a highly decentralized network can be said to have a conscious purpose—is to be a venue in which individuals can exchange for mutual benefit, whether this benefit is defined in economic, spiritual, or other terms. Society is voluntary, with legal obligations arising only from consent and contract. This is the social means: free association. The end or goal of society is expressed by each member who acts in his own self-interest. Because individuals are diverse and unpredictable, the form of society is fluid and unpredictable, except for being nonviolent.  
  
“Form follows function” means the basic shape of anything is determined by its purpose. The form of a chair is dictated by its function as a structure upon which people sit, which is why a successful chair has a stable surface. For the architect Frank Lloyd Wright, the form and function of a thing had to be inseparable if its synthesis was to be successful. “Form follows function—that has been misunderstood,” Wright observes. “Form and function should be one, joined in a spiritual union.” If the two are in conflict, then the form either fails or the function is revealed to be different than what has been stated. If keeping the peace involves killing innocent people, for example, then it means peace keeping is not the end being expressed. During the Vietnam War, a U.S. army official justified bombing civilian areas in the Bến Tre province of the Mekong Delta with the statement, “It became necessary to destroy the town to save it.” This explanation morphed into the infamous saying, “We had to destroy the village in order to save it.” A jarringly discordant form and function often reveals a hidden, true function.  
  
Mahatma Gandhi famously expressed the connection between form and function in social dynamics. “If one takes care of the means,” he writes, “the end will take care of itself.” This reflected the reality of the means being the ends in progress. Gandhi does not devalue the importance of the end in sight, but he recognizes that every stage of the means must express the end in a logical progression if the end is ever to materialize.  
  
Most people concentrate on goals, like prosperity, and then figure out how to achieve them. Strategies are viewed as pragmatic and almost interchangeable: whatever works or provides a shortcut. But cruelty cannot lead to loving relationships; only benevolence can. Theft does not create respect for property rights; only honesty does. If the goal of crypto is to financially free individuals, then the means of accomplishing it is inseparable from this end. The means are a respect for individual rights, free markets, peace, and society. The opposite strategies are collectivism, monopolies, and violence, with the state being a predictable result.  
  
“There oughta be a law” is a common knee-jerk solution to achieving almost any social goal these days; people clamor to use the institutionalized violence of the state to enact laws that punish or incentivize others into accepting a desired end that they would not accept willingly. The goal can be comparatively modest like imposing a dress code by which men and not women go topless. Or it can be a sweeping one like the imposition of a particular religious doctrine. The reflexive reaction of “there oughta be a law” bypasses the question of whether the means and ends are in conflict. Few people ask if it is even possible for the law to impose ideas and attitudes, thoughts and feelings; it is not. The most that is possible is for the law to intimidate people into outwardly expressing “correct” thoughts and feelings despite what they think and feel inside.  
  
Because such laws intrude upon an individual’s freedom of conscience and speech, a free society does not impose them; as a means, such laws contradict society’s ends. Because they give the state immense power over its population,  
  
however, such laws are standard practice for those in power; as a means, they achieve the desired ends. The vaguer the statement of a goal is—”income equality” or “social justice”—the more power it confers on the state because the definition is elastic. With free-market crypto, the end is well defined: a decentralized and private transfer of funds or other information on a peer-to-peer network. With fiat and banking, the end is subjective and open to redefinition: monetary stability.  
  
Everyone knows that some goals demand specific means. Staying healthy requires eating well, exercising and adopting good habits. The proper means become less obvious when the end is complex, amorphous, or not candidly expressed. Somehow the logical connection between the two gets lost. “The ends justify the means” has become an excuse to abandon both practical and moral considerations about how to achieve specific goals. Once an end is established, a menu of means is scrutinized for ones that are supposed to achieve the goal as quickly and cost-efficiently as possible. More fundamental questions about the relationship between means and ends are rarely asked. Can war actually bring peace? Can censorship create an open society? Does banning crypto protect financial safety?  
  
When the ends and means conflict, then the end becomes a practical impossibility. A person who declares “the ends justify the means” is either badly misguided about how goals are achieved, or he has an entirely different goal in mind than what is stated. The use of a means that is hostile to achieving an end introduces an Orwellian element. The double-think intrinsic in the World War I slogan “A War to End All Wars” is obvious. The means obviously failed to achieve the stated goal because the elimination of conflict was never the real goal; territory, power, and profit were the purpose of World War I. The false goal was accepted, however, and it is still trumpeted even though it makes no sense. No one speaks of “A Truth to End All Truths,” “A Point of Logic to End all Logic,” or “A Virtue to End all Virtues” because these are self-contradictory absurdities. The way to end war is not to wage it but to refuse engagement. The means—fighting a war—is diametrically opposed to the stated end—preventing more war. When this occurs, it is time to look under the surface for the actual intent.  
  
This reveals a profound ideological difference between advocates of the state and advocates of society or the free market. Statists are ends-oriented; advocates of civil society are means-oriented. This does not suggest that civil society—that is, the individuals within it—do not have or state specific goals. It says that society realizes the proper means to achieve any end must be employed. By contrast, statists focus entirely on the end and use any and all means necessary or expedient.  
  
Statists provide a detailed blueprint for what constitutes a just society, for example. An declared end of this society might be a socio-economic equality that requires the state to monopolize all monetary matters, including commerce, to ensure the proper distribution of wealth and opportunity. The end dictates the means. The same is true of a moral society, whatever definition of “morality” is  
  
employed. The end requires the state to monitor the behavior, words, and attitudes expressed by every individual. Whenever a specific end is identified as an overriding and independent goal, then the use of force becomes necessary to impose it upon people who peacefully disagree because someone always will.  
  
By contrast, the free-market approach is means-oriented. A just society does not aim at an outcome such as a specific social-economic arrangement. Whatever arrangements result from individuals making free and peaceful choices is considered to be just. Whatever is voluntary is just—or, at least, as close to it as imperfect human beings in an imperfect world can come. For instance, a private college that discriminates against blacks and one that enforces a black-only policy would exist side by side in the marketplace. As long as both are privately funded and no one is forced to participate, both arrangements are just, and the law can not properly interfere. If people consider the school policies to be immoral, then they are free to use a wide variety of peaceful means to agitate for change. These strategies include education, protest, picketing, boycott, and moral suasion. What they cannot do is use force to dictate the way in which the colleges use their own money to establish their own policies. Freedom of association requires the right to discriminate.  
  
Statists are not similarly restricted. Their first choice in seeking to “reform” a peaceful but immoral practice is to apply the institutional force of law.  
  
The 20th-century French philosopher Jacques Maritain considered the “Means Versus End Dilemma” to be *the* problem of political philosophy. The French Revolution provided him with the model of how an end failed miserably because the means used to achieve it were “intrinsically evil.” In a stereotypical revolution, individuals rise up en masse to wrest power from elite and oppressive rulers. The revolutions are called “popular” because they start with a groundswell of popular resistance against the status quo. And it is true; this how many revolutions begin. Then they go horribly wrong. France transformed from an absolute monarchy that ravaged the rights of common people into “a superior person called the Nation State” that ravaged the rights of common people. The promised “Liberté, Égalité, Fraternité” (Liberty, Equality, Brotherhood) never materialized. Instead, blood- thirsty autocrats like Robespierre and Saint-Just, along with a nouveau class of petty bureaucrats, conducted mass arrests and executions that most often targeted average people who violated economic laws—smuggling, for example.  
  
The Bolshevik Revolution is another cautionary tale. The catastrophic death toll and starvation caused by Russia’s involvement in World War I, more than a commitment to Marxism, drove Russians to revolt. The trusted third party called “leaders” had pushed society too far, and they lost all trust. Their collapse left a power void. Under the slogan ”Peace, Land, Bread,” revolutionary officials rushed in to fill this void with a totalitarian and dogmatic regime, rather than the workers’ paradise they had promised. It is the well-worn path of revolutions; meet the new boss, same as the old boss.  
  
[They do not achieve](https://eastvoldreport.wordpress.com/2012/12/09/jacques-maritain-the-purpose-of-political-society/) the “final aim and most essential task of the body politic or political society,” Maritain explains. The task was to “better the conditions of human life itself” and “to procure the common good of the multitude, in such a manner that each concrete person, not only in a privileged class…may truly reach that measure of independence which is proper to civilized life.” In colloquial terms, Maritain is saying, “you can’t get there from here.”  
  
Why? Because the revolutionary leaders became a new set of trusted third parties. The revolutionaries formed a new upper class who adopted the same basic power structure as before: absolute government that rules through claims of legitimacy, intimidation, and raw force. The faces, ideologies, and declared ends changed but not the means of centralized power that was imposed through institutionalized force. The revolutionaries used the same means as their predecessors and arrived at much the same results: the oppression of average people. Only if by changing the means—only by decentralizing power back to the individual—can a revolution avoid turning into just another state. Only when revolutionary leaders cease to evolve into a trusted third party will a Robespierre, Lenin, Pinochet, Mao, or Castro cease to be inevitable.  
  
The revolution of cryptocurrency resolves the Means Versus Ends Dilemma within political philosophy because crypto is both the means and the end at the same moment. Gandhi also states, “There is no wall of separation between means and end. Means and end are convertible terms in my philosophy of life.” The strategy of crypto: decentralize financial exchanges through a blockchain in order to bypass trusted third parties and return monetary control to the individual. The political end: decentralize financial exchanges in order to bypass trusted third parties and return monetary control to the individual. The means and end are one in the same. The pseudonymous, decentralized, peer-to-peer process is transformative. When the flexing of individual power becomes sufficiently widespread, then it becomes a leaderless revolution—a trustless revolution— which depends on individuals pursuing their own self-interest. The means are “anything that is peaceful.” The end is whatever results from the means.  
  
**The State Versus Society**  
  
In his classic work, [*The State*](http://oll.libertyfund.org/titles/oppenheimer-the-state) (1914), the German sociologist Franz Oppenheimer spearheads an analysis of the two most important terms in political discussion: “the state” and “society.” The antithetical terms each express a mode of human organization and each reflect the importance of wealth or productivity to human existence. The natural condition of man is poverty. A baby is born with nothing but its own helplessness, and it will die without the tenacious intervention of a caretaker. Once a person is able to use his labor to transform resources or to create them, then he is able to care for himself through continuous effort. The production of wealth is literally what allows people to sustain their lives. The ability to produce and control wealth is a matter of life or death.  
  
Oppenheimer identifies two antagonistic means by which wealth is controlled: the state and society. He defines the state as “that summation of privileges and  
  
dominating positions which are brought into being by extra-economic power.” The words “extra-economic power” mean force or threat of force. The institutions of the state include the military, law enforcement, legislatures, and bureaucracies. Their common denominator is the administration and maintenance of state power through the use of institutionalized violence. “I define the state,” [Rothbard writes](https://mises.org/library/society-without-state) , “as that institution which possesses one or both (almost always both) of the following properties: (1) it acquires its income by the physical coercion known as ‘taxation’; and (2) it asserts and usually obtains a coerced monopoly of the provision of defense service (police and courts) over a given territorial area. An institution not possessing either of these properties is not and cannot be, in accordance with my definition, a state.”  
  
Oppenheimer defines society as “the totality of concepts of all purely natural relations and institutions between man and man.” The words “purely natural” mean “voluntary,” with society being the sum total of the peaceful interactions of the individuals within it. The institutions of society include the free market, places of worship, schools, charities, and the arts. Rothbard describes society as a place “where there is no legal possibility for coercive aggression against the person or property of an individual. Anarchists oppose the state because it has its very being in such aggression, namely, the expropriation of private property through taxation, the coercive exclusion of other providers of defense service from its territory, and all of the other depredations and coercions that are built upon these twin foci of invasions of individual rights.” The state is called the public sphere; society is the private sphere.  
  
(Note: The state and society are abstractions, and care must be taken not to make something overly concrete of them. The analytic approach of classical liberalism is methodological individualism, which contends that only individuals exist and act. All institutions—including those of both the state and society—can be reduced to the actions of the institution’s individual members.)  
  
Wealth can be controlled by either the state or society—that is, by the individual members of either—but it can only be produced by society. The state employs what Oppenheimer refers to as “the political means”—that is, force or threat of force—to acquire the wealth it neither produces nor acquires through voluntary exchange. The wealth is taken from people who do produce and exchange, which Oppenheimer calls “the economic means” of acquiring goods.  
  
The state does not usually take wealth by brute force, however. Instead, the state uses more subtle, less risky methods of theft. For example, it channels the productivity of society into a form of money that it monopolizes by issuing it and imposing legal tender laws. Then the monetary monopoly is cemented by regulating the financial institutions through which the money is forced to flow. This allows the state to conduct subtle theft, like inflation. The direct violence is the monetary monopoly that prohibits and punishes free-market competitors.  
  
Otherwise expressed: The end of the state is to maintain its existence and power. To fulfill this goal, the state needs the wealth and cooperation of society because  
  
it does not produce wealth. The state must steal from society because its only source of “income” is what it grabs through means that include taxation, confiscation, fines, fees, tariffs, inflation, and bribes. Force and threats of force are the necessary means—the political means—of the state.  
  
By contrast, society has no ends. Although it is an engine of creation and exchange, society has no consensus as to what the results of such productivity should be. Each individual member acts to pursue his own perceived self-interest with every person having a unique definition of what comprises this goal. The goal of one person might be to earn a million dollars, while that of another might be to acquire an education. The means by which each individual achieves his end is through creation and trade—the economic means—that produce his own version of wealth. Again, what constitutes riches differs from person to person, and it includes money, culture, knowledge, family, spirituality, and every other possible human value. Society’s means are the opposite of coercion because an exchange occurs only when all parties to a transaction agree to its terms and all parties benefit.  
  
Rothbard highlights the key difference between interacting with society and with the state.  
  
If I cease or refrain from purchasing Wheaties on the market, the Wheaties producers do not come after me with a gun or the threat of imprisonment to force me to purchase; if I fail to join the American Philosophical Association, the association may not force me to join or prevent me from giving up my membership. Only the state can do so; only the state can confiscate my property or put me in jail if I do not pay its tax tribute.  
  
The key difference is consent.  
  
The American individualist Albert Jay Nock was the main conduit of Oppenheimer’s thought into the United States. He captured his mentor’s core sentiment in the book *Our Enemy, The State* in which Nock observes, “Taking the state wherever found, striking into its history at any point, one sees no way to differentiate the activities of its founders, administrators, and beneficiaries from those of a professional criminal class.”  
  
The prospect of “striking into the the state’s history” has appealed to many political theorists because it bears directly on the nature of the state and whether it is legitimate. In turn, this addresses the question of why people obey the state. Many people appear to consent to the state’s presence, all the while grumbling about how corrupt the system is and double standards in the law. Even those who consider most laws to be unjust seem to comply without being explicitly forced to do so. Why?  
  
Examining the roots of the state is the starting point of an answer. In general, there are four basic and sometimes overlapping theories of how a state  
  
originates. Each theory carries different implications for the state’s relationship to society and the legitimacy it claims.  
  
The first theory is supernatural. It contends that the state exists through the will of God or some equivalent. This is the divine right of kings or rulers, and the theory often results in a theocracy. Lesser members of society—who presumably are also placed in their positions by God—owe allegiance to the anointed leaders as part of their duty to God. An established church sometimes acts as an arm of the state with religious leaders bolstering the ruler’s divine legitimacy.  
  
The second theory of how a state originates draws on a more naturalistic explanation. The state is a spontaneous institution that arises from the act of community, it is argued. The person and property of individuals require protection, and their contracts require an enforcement mechanism. This makes an overriding authority evolve to provide the necessary services by acting as a policeman and an arbiter of disputes. Society pays the state in much the same manner as it pays a contractor for rendering a valued service. According to the consent theory, no hard line distinguishes the state from society because both are engaged in a cooperative venture.  
  
The third and fourth theories entail conflict. The third theory claims the state emerges due to internal warfare within a society. Karl Marx popularized this view by analyzing the state as part of the class warfare through which capitalists control and exploit workers; that is, capitalists use the state—or join with the state —to oppress the workers. For Marx, the state expresses and protects one class of society at the expense of another, and the latter owes no allegiance whatsoever to its oppressors. Indeed, the duty of workers is to resist and rebel.  
  
The fourth theory of the state’s origins points to external conflicts in which one tribe conquers another. The victorious tribe forms the upper class within the resulting society, and the conquered tribe pays tribute through obedience and wealth.  
  
Within classical liberalism, the two theories that have struggled for dominance are the consent theory by which the state evolves naturally from the needs of society and the conquest theory by which the state is in constant warfare against the nonprivileged class(es) of society. These are not merely historical suppositions. They are also analytical approaches to whether or not the state can claim legitimacy.  
  
**The Consent and Conquest Theories of the State**  
  
If the state rules through the consent of society and provides a necessary service, then the argument against revolution—in the form of crypto or in the name of anything else—is weakened considerably. The monetary system is likely to be seen as being in need of considerable reform rather than in need of elimination.  
  
In the consent theory of the state, the 17th-century English philosopher John Locke looms large through his *Two Treatises of Government*. The contemporary American philosopher Karen Vaughn observes of his *Second Treatise*, “Locke argues the case of individual natural rights, limited government depending on the consent of the governed, separation of powers within government, and most radically, the right of people within society to depose rulers who fail to uphold their end of the social contract.” Locke’s work, upon which both the French and American revolutions drew, remains a touchstone of consent theory for limited government within classical liberalism.  
  
Locke believes God had given the world to all men in common, and he justifies private property—the appropriation of a common good for personal use—by arguing that each man has an ownership claim to his own person. Based on self- ownership, Locke argues, “The labour of his body, and the work of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joyned to it something that is his own, and thereby makes it his property.” So far, this does not seem to suggest that the state, as opposed to individuals, produces wealth or value.  
  
Locke then postulates that the need to protect “life, liberty, and estate” prompts men to form a government. One of main reasons the state arises is as a shield against confusion as to property titles and other conflicts that occur when individuals accumulate and compete for wealth in a world of scarcity. Through an explicit social contract, men give the state the right to adjudicate disputes. For its part, the state pledges to secure men’s claim to property—through inheritance laws, for example. Locke rejects the contention that the consent rendered to the state by initial members of society can bind future generations, however. Instead, he develops a doctrine of tacit consent by which people who did not consent explicitly are still bound to accept the state’s authority. Each person who lives in society and enjoyed its benefits is said to agree to the rules by which a limited state governs.  
  
A withdrawal of tacit consent is possible. A man can relinquish his estate and leave the community. As long as he remains, however, he implicitly accepts the state’s authority. After all, as Locke argues, the “good title” of his property came from the state that facilitated its just transfer. A similar argument can be made about wealth accumulated by virtue of a contract: the contract has validity because of the legal context provided by the state. Only when state ceases to fulfill its part of the social contract is rebellion against its authority justified. Otherwise, the state and society are partners.  
  
The conquest theory of the state stands in sharp contrast to the Lockean model, and it is the theory favored by individualist-anarchists. It attempts to ground the primitive state in historical fact rather than political conjecture. A common expression of the conquest theory runs as follows: Agricultural tribes settle down and become dependent upon specific areas of land. Roving nomads wage war on the more sedentary tribes for the economic benefits that come from pillaging and  
  
looting. The nomads begin by killing and razing, but they discover it is in their long-term economic interest to enslave and exact tribute instead. Why steal for one season when it is possible to steal in perpetuity? This is the simplistic conquest model to explain how the state arose and its relationship to society.  
  
In *Our Enemy*, *The State*, Nock defends the conquest theory of the state on a historical basis. In *For A New Liberty,* Rothbard advances a modified version of the theory. He contends that conquest was the typical genesis of the state, but he concedes that some states may have evolved in a different manner. But even a state that emerged from an explicit social contract, he argues, could not bind new generations through tacit consent because an assignment of natural rights requires an explicit contract. Since no generational renewal of the contract exists, any current state has no legitimacy.  
  
In arguing for the conquest theory, both Nock and Rothbard rely heavily upon Oppenheimer who maintains that the state consists of people who wish to satisfy their “economic impulse” through the political means—through the use of force. Oppenheimer posits six stages through which a conquering group typically passes in order to become a state.  
  
• First, a warlike group raids and plunders a vulnerable community to steal wealth rather than produce it themselves. The Viking raids on the British  
  
coast are an example.  
  
• Second, the victimized community ceases to resist actively; sometimes an explicit agreement between the aggressors and the victims is struck. The  
  
raiders begin to loot only the surplus, leaving their victims alive and with enough food to ensure the production of future wealth to be plundered repeatedly. Eventually, the two groups acknowledge mutual interests, such as protecting the crops from third-party outsiders.  
  
• Third, the victims offer tribute to the raiders, eliminating the need for any violence at all.  
  
• Fourth, the two groups merge territorially and live together in the same area.  
  
• Fifth, the warlike group assumes the authority to arbitrate disputes, which involves a monopoly over the use of force.  
  
Oppenheimer describes the last stage in which both groups develop the “habit of rule.” In his chapter [“The Genesis of the State,”](https://oll.libertyfund.org/pages/oppenheimer-the-genesis-of-the-state-1922) he explains, “The two groups, separated, to begin with, and then united on one territory, are at first merely laid alongside one another, then are scattered through one another. They intermingle, unite, amalgamate to unity, in customs and habits, in speech and worship. Soon the bonds of relationship unite the upper and the lower strata.” The upper strata was called the “master class.”  
  
The state, which originated from external conquest, evolves into an agency of internal conquest by which the upper strata of the state uses the political means to benefit economically at the expense of the lower strata of producers. In this view, the state arises and maintains itself as a parasite and an enemy of society.  
  
Whatever path leads to the emergence of a state, however, a question remains. Why do people accept its authority over their lives, their property, and the future of their families?  
  
**Voluntary Servitude**  
  
Force is usually a last resort that the state introduces when other methods of persuasion, like an appeal to patriotism, do not work. After all, the presence of open force could bring the legitimacy of the state into question. To prevent disobedience or rebellion, the state tries to justify itself in the eyes of society so that it can secure the advantages of violence without incurring its dangers. No analysis of the relationship between the state and society is complete without examining the issue of legitimacy.  
  
A 16th-century essay entitled “[Discourse of Voluntary Servitude](https://www.fff.org/explore-freedom/article/tienne-de-la-botie-part-1/)” by the French jurist Étienne de La Boétie is an early discussion of a haunting question. Why do people obey unjust laws? La Boétie asks, “If a tyrant is one man and his subjects are many, why do they consent to their own enslavement?” Correctly or not, La Boétie does not believe the state rules primarily through force. After all, there are many more people in society than there are agents of the state. If even a small percentage of the populace refuse to obey a law, then the law becomes unenforceable; tyranny is automatically defeated if people withdraw their consent. Yet most people obey without being forced to do so. La Boétie evolves an explanation; he calls it “voluntary servitude.”  
  
*Discourse* first circulated privately in France (circa 1553) against a backdrop of foreign war and domestic conflict. European nation states were on the rise, and monarchs clashed not only with each other but also with their own citizens from whom they demanded vast money and obedience. The 16th century gave birth to the tyranny that led to the French Revolution centuries later.  
  
Born into an affluent and politically connected family, La Boétie escaped the illiteracy, misery, and disease that befell most of his countrymen. Famine was so common in France that men carved crosses on newly baked bread to symbolize the sacredness of food. Plagues erupted repeatedly. As the peasant struggled to survive, state taxes consumed one-third or more of his income, with church tithes absorbing another one-tenth. Roving bands of soldiers stole at will and kidnapped young sons to fill their ranks. France was an absolute monarchy, which meant national power was not distributed but rested with the king and was administered through appointments. To raise money for war and luxury, the king sold titles to the “nouveau riche” that formed a fresh aristocracy with a notorious contempt for the lower classes. Meanwhile, the ranks of lawyers swelled as they administered bureaucracies to feed the appetite of a growing state.  
  
Why did the common man obey a system that treated him so wretchedly and was clearly rigged against him? The monarch was anointed by God and blessed by the dominant Catholic Church, to be sure, but the rise of Protestantism in France—the  
  
Huguenots—meant that a growing segment of society did not recognize the king’s divinity. There were also provincial loyalties that competed with national ones. Most Frenchmen gave primary fealty to the province of their birth rather than to the nation or king, and the provinces varied widely in customs, religious practices, and language. These differences divided the nation. As well and with reason, the king feared that foreign powers would align against him with rebellious provinces. A perfect storm between the state and society seemed to be brewing.  
  
*Discourse* was most likely written while La Boétie was a law student at the University of Orléans, renowned for Huguenot activity. Indeed, one of his professors would be later burned at the stake for heresy. The essay itself was in response to a specific event—the Revolt de Gabelle in Bordeaux. The Gabelle was a much-hated tax on salt, which was not only a human necessity but also a state monopoly. Protesters killed the Gabelle’s director general along with two of his officers. In retaliation, 140 commoners were killed, many others were whipped, and exorbitant fines were imposed.  
  
La Boétie was an acute observer of society. When the people finally rebelled, he watched and puzzled over why the state had been able to do almost anything it wanted for so long, no matter how tyrannical. He watched closely as well after the Revolt de Gabelle was quashed. Why did the people not rise up again, he wondered, this time en masse? Why did society tolerate the state? *Discourse* was La Boétie’s answer.  
  
In it, La Boétie concludes that the collective obedience of society comes from “a vice for which no term can be found vile enough, which nature herself disavows and our tongues refuse to name.” He names it “voluntary servitude.” It is a vice because it contradicts human nature; indeed, even brute animals struggle to be free when caught in a trap. Each man is given his own ability to reason, La Boétie argues, and virtue lies in every person’s cultivation of his own innate independence. But man’s ability to do so required the death of tyranny, which is the antithesis of individual independence. Advocating tyrannicide was not new to European theory but La Boétie takes a different slant. The way to “kill” a tyrant is to destroy his power through nonviolent resistance. In that manner, the people kill not a man but the tyranny itself. Liberty requires only that enough people withdraw their consent and cooperation.  
  
He who thus domineers over you has only two eyes, only two hands, only one body…; he has indeed nothing more than the power that you confer upon him to destroy you. Where has he acquired enough eyes to spy upon you, if you do not provide them yourselves? How can he have so many arms to beat you with, if he does not borrow them from you? The feet that trample down your cities, where does he get them if they are not your own?  
  
La Boétie addresses the French peasant directly. “You yield your bodies unto hard labor in order that he [the tyrant or the state] may indulge in his delights and wallow in his filthy pleasures; you weaken yourselves in order to make him the stronger and the mightier to hold you in check.” Why obey?  
  
La Boétie explores the main ways in which the state engineers consent from society.  
  
The generations that had been born “under the yoke and then nourished and reared in slavery” accept their condition as natural. It is the way of the world. Thus, La Boétie considers *custom* to be the first explanation of voluntary servitude. People believe life has always been this way; life will always be this way; and it takes great effort to introduce a new vision to them.  
  
The French author and theorist Michel de Montaigne, who was La Boétie’s best friend, dramatized the incredible power of tradition in his essay “Of Custom.” It opens with the words:  
  
He seems to have had a right and true apprehension of the power of custom, who first invented the story of a country-woman who, having accustomed herself to play with and carry a young calf in her arms, and daily continuing to do so as it grew up, obtained this by custom, that, when grown to be a great ox, she was still able to bear it.  
  
But, La Boétie argues, a few people will always try to shake off “the yoke,” perhaps because they “remember their ancestors and their former ways.” Aware of history, they compare the past to the present and dare to long for a better future. “These are the ones who, having good minds of their own, have further trained them by study and learning. Even if liberty had entirely perished from the earth, such men would invent it.”  
  
After the majority become accustomed to automatic obedience, the tyrant’s main challenge is to reduce dissent by silencing the few who try to shake off the yoke. Two basic means of doing so are to control the press and to monopolize education so that people do not compare the past with the present and realize how much more is possible in the future. With strong control of information, the state can inculcate the belief that it acts for the public welfare to uphold the peace, patriotism, and tradition. It can convince people that it embodies the public good. *Brainwashing* is another reason people obey.  
  
The state then reinforces its larger-than-life image through a process of *mystification*: that is, it tries to appear greater than the mere assembly of human beings in its ranks. The rulers align with religion, are crowned by Church officials, conduct pompous ceremonies, swear to protect the nation, appeal to the authority of a founding document, and so forth. State agents are clothed in uniforms; monuments to state power and past leaders are constructed; the rituals of office are conspicuously displayed; and manifestations of state authority, such as courts, are housed in awe-inspiring buildings.  
  
This is yet another reason why people render automatic obedience: *mystification* . After a regulated press and school system convinced them that the ruler’s  
  
authority is legitimate, the mystification of state power leads them one step further. They become awed, intimidated, and even fearful.  
  
Some people will still be difficult to convince, however. Those who will not obey through custom, brainwashing, or awe might well be bought off. And, so, the ruler also engages in largesse. La Boétie points to the state-sponsored distractions that serve as “opiates.” Fascinated by pleasure, the people do not notice their own enslavement. At other times, rulers literally feed the people by distributing stocks of food. “And then everybody shamelessly cries, ‘Long live the King!’” La Boétie remarks scornfully. “The fools did not realize that they were merely recovering a portion of their own property, and that their ruler could not have given them what they were receiving without having first taken it from them.” By providing bread and circuses—state welfare and popular distractions—the people are *bribed* into surrendering their liberty.  
  
The direct bribery pales in significance, however, beside an indirect form that La Boétie calls “the mainspring and the secret of domination, the support and foundation of tyranny.” This is institutionalized bribery by which millions of people are employed at state jobs and receive tax funds with which they pay their bills. These state employees “cling to the tyrant” and offer up their loyalty. Some state employees, such as police officers, become the hands of the state, reaching throughout society to implement laws and policies. Tax-supported intellectuals, such as university professors, become the voices of the state, defending its policies. Still others, working as clerks or minor bureaucrats, make the daily machinery of the state grind on.  
  
Over generations, a vast new class of people emerge from state employees: people who serve the rulers in exchange for a tax-funded salary and other benefits. These state employees willingly destroy their own liberty and that of their neighbors. And they do so without reflection because the force of custom leads them to believe that things have always been this way and always will be.  
  
La Boétie’s solution to voluntary servitude is for people to withdraw their consent and cooperation from the state. La Boétie advises the average man,  
  
“I do not ask that you place hands upon the tyrant to topple him over, but simply that you support him no longer; then you will behold him, like a great Colossus whose pedestal has been pulled away, fall of his own weight and break into pieces.” La Boétie is widely recognized as one of the earliest voices for civil disobedience and nonviolent resistance against authority.  
  
If he is correct, if freedom is a natural human urge, then nature itself argues the logic of not cooperating with tyranny. Something within human beings and even beasts resists the tension of a leash. Rather than break the tension by attacking those who hold the reigns, La Boétie told people to let the tension go slack; let their end of the leash drop. People should refuse either to defend themselves violently or to submit.  
  
They should simply say “No.”  
  
**State, Society, Obedience, and Crypto**  
  
To repeat: The concepts and realities of state, society, and obedience are the context in which Bitcoin was born and in which crypto now operates. They will also define its future.  
  
The state must take wealth from society to exist. Crypto is not only a new rich source of wealth to plunder, it is also a stiff competitor to the state’s most lucrative, current source—the monetary monopoly. The goal of the state is to access the bonanza of crypto *and* to preserve the monetary monopoly. Being entirely ends-oriented, the state will use any and all means at its disposal to achieve this goal. The strategies already on display include:  
  
Propaganda: Crypto is linked to crimes such as terrorism, ransoms, and human trafficking in a manner that makes these crimes seem to be the prevalent uses. The linkage serves at least two purposes. It creates a justification for the state to take action against crypto, and it reduces any backlash the action might occasion from the general public. Instead, the public will cry, “There oughta be a law.”  
  
The Use of Force: Since the state itself is institutionalized force, this is its ultimate strategy in situations in which obedience cannot be elicited in other ways. And crypto is irredeemably disobedient. The violence or conquest strategy employed by the state generally accelerates through stages:  
  
• It plunders. The privacy of blockchain transfers and the anti-statist bias of the crypto community make this option problematic. Vulnerable individuals  
  
and exchanges are attacked, and their funds are confiscated, but much of crypto remains beyond easy reach.  
  
• It comes to an agreement with compliant crypto users. Centralized exchanges that agree to abide by banking regulations and reporting  
  
requirements are licensed and become crony exchanges.  
  
• It protects the crony exchanges from competitors. Individuals who function outside the regulated crypto zones—and especially decentralized exchanges  
  
—become targets. Attacking these “external enemies” benefits both the state and the obedient exchanges.  
  
• It attempts to usurp crypto as a new type of fiat. Through financial  
  
institutions, the state may mimic the dynamic of crypto in such a manner as to reproduce the monetary monopoly it enjoys with fiat. Digital currency that does not use a blockchain may be offered, for example; this will allow for lucrative inflation and for the state to track every transaction back to a user.  
  
While moving through the stages of using force, the state will engage in active double think that is akin to the slogan “A War To End All Wars.” Centralized exchanges will be presented as way to ensure the safety of users’s wealth, for example, even though the greatest danger to their wealth is the central banking system that the exchanges mirror.  
  
The propaganda against unregulated crypto will continue because, in the presence of alternatives, the state needs the public to continue accepting the monetary monopoly. Many people will do so through custom. Some will do so because of brainwashing by complicit media that focuses on any wrongdoing by crypto users. Meanwhile, the state will mystify its own activities, assisted by the fact that few people understand the technology of crypto or digital currency. The former—if unregulated—will be diminished as unsafe, criminal, and fake. The latter—under state control—will be elevated as safe, legitimate, and sound.  
  
Crypto that refuses to be regulated will remain the money of society—that is, the money of individuals who interact freely and in their own self-interest to mutual benefit. It will continue to produce wealth. Because crypto is means-oriented, like society, it will evolve toward diverse ends with only the means being predictable: nonviolence and consent. The conflict between private money and fiat will persist because the two of them have fundamentally antagonistic dynamics that threaten each other. One of the main battlefields will be public opinion.  
  
On this battlefield, the greatest challenge crypto faces is to convince enough people to simply say “No.”