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# The Market and the State (1968)

by Ludwig von Mises

**F**or every species of animal and plant the means of subsistence are limited. Hence every living being's vital interests are implacably opposed to those of all members of its own species. Only human beings know how to overcome this irreconcilable nature-given conflict by embarking upon cooperation. The higher productivity of work performed under the principle of the division of labor substitutes for the grim antagonism created by the scarcity of food the solidarity of interests of people intentionally aiming at common goals. The peaceful exchange of commodities and services, the market process, becomes the standard type of interhuman relations. Mutual agreement of the parties displaces the recourse to violence, to the law of the stronger.

The market in the broadest sense of the term is the process that encompasses all voluntary and spontaneous actions of men. It is the realm of human initiative and freedom and the soil upon which all human achievements thrive.

The state, the power protecting the market against destructive recourse to violence, is a grim apparatus of coercion and compulsion. It is a system of orders and prohibitions, and its armed servants are always ready to enforce these laws. Whatever the state does, is done by those subject to its commands. State power forced its subjects to build pyramids and other monuments, hospitals, research institutes, and schools. People see these achievements and praise their authors to the skies. They do not see the buildings that state power destroyed, nor those that were never constructed because the government had taxed away the means that individual citizens had destined for their erection.

The fundamental antagonism between the realm of mutual peaceful agreement and that of compulsion and coercion cannot be eradicated by idle talk about two "sectors" of the economy, the private and the public. There is no conciliation between constraint and spontaneity. The attempts to resuscitate the totalitarianism of the Pharaohs of Egypt or of the Incas of Peru are doomed. And violence does not lose its antisocial character by being re-baptized "non-violence." All that man has created was a product of voluntary human cooperation. All that violence has contributed to civilization consists in the—certainly indispensable—services it renders to the endeavors of peace-loving people to restrain potential peace-breakers. □