



## Episode 1,020: Statelessness: Another Case Study

Guest: Pete Earle

**WOODS:** I read your – well, I have to say it's rather a small book. It may be the smallest book I have featured on the show, but on the other hand, I've been promoting the almost thousand-page book by Professor Casey on the history of political thought, so in a way, this is a welcome relief.

**EARLE:** [laughing]

**WOODS:** It's called *A Century of Anarchy*, which makes you want to read this darn thing, and it's a case study and, man, do we need case studies. So let's start off, for anybody who may be scandalized who has heard, let's say, only selective episodes of this show – may be scandalized by the use of the word anarchy, can we clarify what you're talking about when you're speaking about so-called anarchy in this book?

**EARLE:** Sure. So what we're not talking about is wanton chaos, bloodshed, that sort of thing. We're talking about a social spontaneous order where voluntary interaction and cooperation without any sort of centralized rule-making or bureaucratic structures are in operation. The obvious example of the latter description would be states, governments, that sort of thing, ruling boards which would impose order from the top down. Here, we're speaking of anarchy as bottom-up, spontaneously ordered, cooperative dynamics within a society or a group.

**WOODS:** So really what you're talking about is the extension of the market order that we're familiar with and that many people support just a little bit more broadly, just to extend farther out into the farthest reaches of society.

**EARLE:** Absolutely.

**WOODS:** Okay, so let's talk about case studies, because even libertarians who aren't anarchists nevertheless get the question: where in the world can you show me an example of this actually working? And sometimes, they flail about to come up with an example. Well, in particular, examples of statelessness are even more scarce. You can find them, but they're scarce and oftentimes there's relatively little work done on them, or what work has been done is done through the lens of historians who just can't get what's going on there. So you've taken a very obscure example that I had never heard of before and used that as a case study.

So first of all, set the stage. What is this place you're talking about, and what were the unique historical circumstances that brought it about?

**EARLE:** So Moresnet is today the city of Kelmis in southeastern Belgium near the German border. And after the Napoleonic Wars, which ranged from the very beginning of the 19th century – say, 1803 through 1813 – upon that conclusion, there was the characteristic splitting up of spoils and territories and such. And the Congress of Vienna was where all that was codified, and what happened was the idea was that, in certain places, no nation – during the peace process, in certain places, no nation should dominate another. We're talking here about Prussia, France, the Netherlands. Belgium wasn't yet independent at this time. England had a role.

And so what they decided was they would partition this area, and one area in particular was a sticking point, and that was that in the lower – again, the southeastern portion of what's today Belgium, there was an area where there was a zinc mine. And zinc was extremely rare and extremely precious at that time. And so it was decided that, rather than go to war again or leave one country in control of it, that a corporation by the name of Vieux Montagne – which, I'm not a French speaker, but it means "the old mountain" – they ran a zinc mine there. And the area around it would be designated as what was called a condominium, and a condominium in those terms meant an essentially government-less – or like what we would call a neutral zone, that sort of thing.

And so Prussia and the Netherlands and later Belgium were jointly overseeing this small patch of land, which I think it was just over 900 square acres. It was a triangle-shaped piece of land, in which there was a mining facility and there were also barracks and a hospital for the mining employees who lived there. And within that area, there were no military forces of the surrounding nations allowed to – no military forces were allowed to enter, and they were overseen by sort of a board of individuals from the various surrounding countries. But it turned out over time that out of sight was very much out of mind, and there was very little actual managing going on by the political officials.

**WOODS:** Now, tell me something about those political officials. What were they called and what were they actually doing? There was actually a period for several years I guess in the 1880s where there weren't any, so I'm interested in what were they supposed to do, what did they actually do?

**EARLE:** I would guess that they were in charge of making sure – I think they all had their eyes on each other. I think the idea was that the board, they oversaw one individual who was a Burgermeister, which was essentially like a mayor, and then there was one other individual who was the – I guess you'd call him the lone police officer or whatever, who they jokingly referred to as the Secretary of War. He would walk around in his uniform all day long. But most of the time, the Burgermeister and the single police officer would spend their time playing pool and drinking at the pub.

And over the course of this hundred-year period, there were only four different Burgermeisters, and they tended to hold this position for a very long time. I think the average is about 35 years each. And there was a period between 1882 and 1885, I believe it was, where there was actually no one designated. I think that points to

exactly what the overseeing board was doing, which was very little because they would appoint that individual. The administrators, I think they were there to keep an eye on one another and essentially, as long as the mine was just churning out zinc, there was really no reason to interfere.

**WOODS:** Do we have any idea what the population figures were?

**EARLE:** Yeah. So when Moresnet was originally set up as a neutral zone, there were about 250 miners and their families there. And that number just skyrocketed over the years. By the time the U.S. Civil War began in about 1860, the number had climbed to – I believe it was 2,600. And by the time World War I broke out, there was almost 5,000 people squeezed into that tiny territory.

**WOODS:** Are there any peculiarities about either the topography of the region or just anything that makes the territory unique that might have some bearing on how this experiment worked out?

**EARLE:** Absolutely. So the area is on the side of a hill, essentially. The mountain and the mine are on the side of a hill. It's very obscure. I write in one part of the book that if you had a map and a crumb fell from what you might be eating, it would obscure the location. It wasn't actually on most maps.

And so one of the reasons why the experiment was successful was that it just wasn't very widely known. I believe that most of the people who arrived there came by word of mouth, and the most frequent way that people seem to have found out about Moresnet was around the 1860s or 1870s, there was an attempt to set up a private postal service, and philately, the collecting of rare stamps, brought some people's attention to the existence of Moresnet. But even then, I found an ad in a philatelists' periodical from I believe it was the 1870s, where in French it said, *We're not even sure where this place is, but these are some pretty cool stamps.*

There's that and the fact that there weren't any railroads running directly to Kelmis and that sort of thing and it was deep in the forest that led to this remaining pretty obscure outside of, like I said, a network of people who I guess spoke and attracted incrementally larger groups to this area.

**WOODS:** All right, I want to talk about prosperity and questions like that and how it all came to an end in just a minute, but first, let's thank our sponsor.

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One of the things you point out about this place is that it was a prosperous place. It did fairly well. And you feel, as an anti-state guy, compelled to point out something about the extent of taxation, regulation, the burdens of government in connection with prosperity, because there may be some relationship between the two characteristics.

**EARLE:** Absolutely. So one of the things was that Moresnet was essentially, when it was set out in its initial days, it was sort of a frozen period of time in which it existed.

So taxes were set at the level in 1815 or so when the border markers were put up, and they never changed. And additionally, without any sort of regulations or anything like that from the surrounding governments, from the overseers, people were pretty much free to do what they wanted to. So along with the main street in Kelmis, one account says that by the 1880s, there were 60 or 70 restaurants and bars, other eating establishments, a bunch of farms, a large dairy operation, some breweries, and that sort of thing. So there were no fetters on these folks, and nobody, certainly not the overseers, tried to stop them.

There were a few attempts later, one of which was when I believe it was King Leopold of Belgium shut down the casinos. A number of them attempted to relocate into Kelmis, and that word did spread pretty wide, and the Moresnetians were threatened that if they persisted in attempting to open gaming halls or if they allowed the individuals who wanted to move their operations there to do so, that they might be shut down and they might lose their independence. So absolutely, there's a direct tie between economic liberty and overall or more broadly social liberty, and that was very much in effect from the beginning.

**WOODS:** Now, you were saying that zinc played a key role in terms of what kinds of production took place there, but then, as with any mine, eventually all good things do come to an end, as I believe happened in the 1880s. So I would think there'd be some people looking at this story saying, *Well, they had this amazing resource, so maybe that gave it an artificial advantage.* But that resource was more or less depleted eventually, and the thing did still continue along because you can always diversify into other things.

**EARLE:** Absolutely. If they had been successful in opening up the casinos, I mean, they might still be there today. I mean, of course that steps around the sticky issues of World Wars I and II, but certainly they were very resilient and they were able to sustain the quality of life they enjoyed – and which, by the way, is another thing, that prices in Moresnet were on average 10 to 20% cheaper than the surrounding areas. After I published the book, I found a list of prices, and you notice that between Prussia, which by the early part of the 20th century was Germany, prices were consistently higher, and I think that had a lot to do with the fact that the taxation was low. Taxation was set at the same level for almost 100 years. And there were basically no fees and no tithings or anything like that. People were setting prices at market clearing levels and there was no regulation and that sort of thing to hinder the free transaction and freedom of commerce in that small area.

**WOODS:** Now, although I consider it to be a bit quixotic, it's still an interesting part of the story to mention Esperanto and the experiment involving that.

**EARLE:** [laughing] Yeah. So one of the figures that factors prominently into the history of Moresnet, especially after 1860, is a fellow by the name of Wilhelm Molly. He was the physician who was hired to be the doctor to the families and the miners and such who resided in Moresnet, but he became sort of a local hero when he defeated a cholera outbreak among the agricultural folks who had pigs and livestock. So he was, like many physicians of his age, something of a polymath, and one of his interests was languages and in particular Esperanto.

I guess for anyone who doesn't know, Esperanto was a project undertaken by an academic named Zamenhof, in which the idea was that conflict in human events, in particular wars, were the product of problems in translation and problems in relating to other people socially. So the idea went that if there was some universal language which was a hybrid of all existing languages, people would over time get along better and it would sort of reduce hostilities and tensions between people and cultures and such.

Anyway, Molly had an ongoing correspondence with some of the academics who were proponents of and practitioners of Esperanto, and the idea came up in the early part of the 20th century that perhaps one road for Moresnet's future would be to become the sort of homeland of Esperanto. And they went as far as to declare some form of independence, although we don't know to what extent it was recognized. We do know that there were several media outlets and such who turned up in 1908 for the culmination and sort of celebration of that effort, and with that, Moresnet attempted to rebill itself as Amikejo. And Amikejo is the Esperanto word for "place of friendship."

**WOODS:** Pete, before we get to the story of how this all came to an end, this century or so, how did you find out about it?

**EARLE:** Like so many other writing projects of mine, I had something completely different in mind, and I went off on a weird tangent and I discovered this. I believe I was researching an article about the currency reformers of Ancient Rome. We hear a lot about the inflationary periods, but we rarely hear about those handful of emperors and such who attempted to shore of the denarius. And in so doing, I was taken down a rabbit hole of currencies, and I discovered the Moresnetian franc, which I thought was curious, hadn't heard of it before. And that opened up this huge series of additional readings and such, which just captivated me and kept me from writing the article on the currency reformers of Rome for about two years.

**WOODS:** So all right, now we get to the part where we see the absorption of this place. Let's find out how that happened, and then I want to wrap up with some concluding thoughts.

**EARLE:** The absorption of Moresnet into ultimately Belgium.

**WOODS:** Right.

**EARLE:** Right, okay, so Moresnet began to call itself Amikejo. We're now talking about a place where there are 5,000 people living there. They come from as far away as the U.S., there are reports that there was an individual there who was Chinese, all over Europe.

And World War I breaks out. And so there are several different accounts, and two of them are diametrically opposed. One has Germany invading and peacefully occupying Moresnet. Another has some sort of combat going on, some Moresnetians being killed, that sort of thing.

At any rate, Moresnet was under German occupation, and it went from a place – I mean, you can see very clearly that with this sudden overtaking and the German attempt to separate people who are German from those who are Belgian and such, which was unsuccessful because by then everyone was living together and there were families of different national background, a reporter speaks about how it took hours to cross 12 feet of space to get from one place to another in Moresnet, to enter Moresnet. And so that to me is highly emblematic of the radical change that undertook when governments in probably their most distinct form, war states, occupied this essentially anarchic commune – I don't want to say "commune" [laughing] – community.

**WOODS:** My thinking is that probably the lessons we can draw from this or the value we can derive from it comes in certain specific areas, like for example, that you could have a community very lightly governed if governed at all with a very free economy without a heavy police presence. And by the way, in an anarchic society, you'd still have a police presence, but who knows how numerous the policemen would be and what they'd be doing and all that? But anyway, you can draw a lot of interesting stuff from this. But wouldn't people say, *Look, it's a very, very small, isolated community. It's a very unique set of circumstances, and then when push came to shove, it lost its independence anyway. So people might say its value for us as an example is not so significant* – what do you think?

**EARLE:** I couldn't disagree more. I mean, what we are seeing here, or what Moresnet and certain other examples – the walled city of Kowloon, the American West, there are some others – what it demonstrates is the possibilities that statelessness has. And the fact that they were overrun by an invading army is I think – people that say that shows that statelessness can't work are seeing it upside down. To me, that's an example of how states destroy prosperity and that sort of thing. And the type of destruction that people usually attribute to the concept of anarchy – the violence, the disorder, all that stuff – that only arrived when Germany arrived. That only comes when states arrive. And so the argument to me is not to give up on spontaneous order because of the existence of states; it should be to give up on states and let spontaneous order spread more widely, or attempt to at least.

**WOODS:** Well, I'm going to make sure and link on this page for this episode, which will be [TomWoods.com/1020](http://TomWoods.com/1020), to some other episodes where we fleshed out some of the theoretical questions that might occur to people about this. I'll put that in there as a nice supplement to this conversation. You can actually get Pete's book here, called *A Century of Anarchy*, you can get that on Amazon, and of course I will link to that too on the show notes page. And are you working on anything else that's going to surprise us these days?

**EARLE:** I've been busy with work and such, but I do have a few irons in the fire. Nothing much to speak of yet. A long-term project of mine is a book I've been working on about the Great Depression, about an aspect of it that really hasn't been spoken about or investigated much, but I've been working on that for years and it may take a while longer.

**WOODS:** Okay, all right, well, good to know. Well, thanks so much for your time today. It's a very interesting example. My guess would be – have you done any other podcast interviews on this topic?

**EARLE:** Some time ago I have, but not recently.

**WOODS:** Okay, because I was thinking I don't know if I could – surely, you would have been promoting this, but I was wondering if I could be the only podcast talking about this. But well, I'm certainly in the top 20. I've got to be.

**EARLE:** I appreciate it.

**WOODS:** Yeah, so it's an honor at least to be there. All right, thanks a lot, Pete. I appreciate your good work on this.

**EARLE:** Thanks, Tom. Take care.