Ocean, Island, Jungle: 
Escape geographies of the new libertarians

I

Once upon a time (in 1972), a wealthy man set out to establish his own sovereign city-state. He found a shallow reef over which the waters of a vast ocean had lapped gently since time immemorial. He hired a company to dredge the surrounding ocean floor and deposit the sand on the reef. Thus was a tiny island born, upon which the man built a stone platform, planted a flag, declared the birth of the Republic of Minerva, and departed, leaving the new micro-state unoccupied. The monarch of a nearby island kingdom was not impressed. He opened the doors of his kingdom’s one jail and assembled an army. The monarch, his army and a four-piece brass band boarded the royal yacht and descended upon the reef where they promptly removed the flag, destroyed the platform, and deposed the man who would be king. And Minerva returned to the ocean.

The story of Michael Oliver, his short-lived Republic of Minerva, and the response of the King of Tonga is not the stuff of fairy tales (although it does have a certain grim quality: in the process of deposing Oliver, one prisoner apparently murdered another, creating the strange circumstance in which a state’s murder rate exceeded the size of its population.)¹ Nor is it an uncommon story. It is one example of many of efforts by modern-day filibusterers and market-libertarians to establish independent, sovereign ‘anti’-states in ocean, island, and coastal spaces.² Such spaces have long been fodder for the imagination: Utopia, Robinson Crusoe, Treasure Island, and Lord of the Flies (to name only a few) have all used remote islands as means to stage

² The Lonely Planet guide now publishes a guide to ‘micro-nations.’ For an interesting document on “how to found your own micronation,” see http://quiqle.info/32712-how-to-found-your-own-micronation.html, [accessed April 6, 2012]. The practice is common enough that January 8 has been declared the informal ‘independence day holiday’ for libertarian micro-nations, and is associated with Emperor Norton, a homeless prospector in San Francisco who declared himself emperor.
arguments about the market, exchange, politics and society. Verne’s Captain Nemo found in the ocean refuge from the tyranny of continents, and Ayn Rand’s capitalist paradise, despite its location high in the Rocky Mountains, was named *Atlantis*. The Republic of Minerva is a real-life counterpart to such imaginings and only one of the myriad initiatives undertaken by an eclectic and powerful group of individuals who describe themselves as market-libertarians or anarcho-capitalists, including Peter Thiel (founder of Paypal and an early investor in Facebook), Randy Jorgenson (real estate mogul and purported “porno king of Canada”), and Patri Friedman (former Google employee and grandson of free-market guru Milton Friedman).

These projects are all forms of what could be called ‘escape geographies’: projected, reconstructed and purposeful places where those with the money to invest can purportedly flee taxation, politics, bureaucracy, social constraints (or ‘the social’), and perhaps the threat of extinction itself. The degree to which they truly are escapes from the state—or the state-form—is something I will take up shortly. But first it is worth noting that such forms of geographic and social secession have received surprisingly limited attention from academics and intellectuals, despite the buzz they have generated on technology- and libertarian-oriented websites. If they have received academic attention it is largely as examples of tax havens gone awry, the problems with ‘offshore,’ or the lunacy of the libertarian fringe. The schemes were too bizarre, the protagonists too eccentric, the plots too outrageous to be folded in to mainstream political, economic, and cultural histories. My contention is they are not. They are central to the history of twentieth-century capitalism and its reconfigurations in the wake of the global depression of 1929 and post-war decolonization. And while new in some ways—for example, in the contemporary linkages between technology and market-libertarianism—in other ways they seem

---

3 For an astute reading of Verne’s *Twenty Thousand Leagues Under the Sea*, see Thomas Richards, *The Imperial Archive* (London: Verso)


5 For a study of Oliver in the context of the decolonization of Oceania, see Van Fossen, *Tax Havens and Sovereignty*, esp. chap. 3; on tax havens more broadly, see Nicholas Shaxon, *Treasure Islands*; for a scathing critique of some of these projects, see China Mieville, “Floating Utopias,” in Mike Davis, ed., *Evil Paradises*. 
to bear a striking resemblance to aspects of 19th-century filibustering and frontier expansion (whether it be William Walker in Central America or the proclaimers of the Bear Flag Republic in Alta California.) Moreover, they have become, in the past two decades, surprisingly mainstream. Michael Oliver’s self-published 1968 *New Constitution for a New Country* (discussed below) may have resided at the margins when first published but it reads like a fairly run-of-the-mill manifesto today. Rand, meanwhile, has been reborn as a subject of scholarly study rather than scorn. Silicon Valley capitalists have inspired an entire generation of ‘radical social entrepreneurs’ whose prophet is Peruvian economist Hernando de Soto, rather than Karl Marx, and whose vocabulary is more likely to include ‘start-up’ than ‘rise up.’

This essay tracks out a number of efforts—related generally in their right-wing libertarian emphases but distinct in terms of form—to create libertarian places in non-state (or unstate) spaces. My aim is to situate these endeavors in a broader historical context of libertarian efforts to escape aspects of the state (rather than ‘the state’ per se, as we will see.) In the process, I hope to have something to say about how such efforts are linked to a broader libertarian resurgence that melds a selective escape from the state with new forms of territorial enclosure in the form of land- and water-grabbing.

II

Michael Oliver is also Moses Olitsky. Born in Lithuania in 1928, he emigrated to the United States in 1946 after four years in two Nazi concentration camps. Fearful of what he saw as an encroaching socialism in the U.S., he wrote a libertarian and laissez-faire manifesto, published in 1968, entitled *A New Constitution for a New Country* and in which he imagined a territorial configuration freed from the constraints of overbearing, taxing, and moralizing bureaucracies. Oliver drafted the new constitution in part because he saw in the constitution of the United States “enough collectivist clauses to ensure a steady drift toward totalitarianism,” although he did not identify said clauses.

A disciple of von Mises, Oliver saw only a bleak economic future ahead in the 1960s and, to the surprise of his friends, began to convert his substantial wealth, derived from his real estate

---

6 At a recent teaching gig I was informed by a number of students that applicants to the program, asked in their application essays to list the best books they had read over the previous year, invariably included David Foster Wallace and Ayn Rand.

7 Oliver and his history appear in various brief publications but the most thorough history of Oliver, and from which this paragraph draws, is in Anthony Van Fossen, “Secessionist Tax Haven Movements”.
development business in Carson City, Nevada, in to gold, a move which soon made him all the wealthier when global economic retrenchment saw the value of gold dramatically increase. Attenuated government largesse it may have been, but it was largesse nonetheless; regardless, Oliver carried with him a complex feeling of economic persecution and began to seek out possibilities to create his own country. Just how powerfully his vision—and his fears—resonated are evidenced by the fact that he was able to get close to 2,000 investors for his project, in the process creating the Ocean Life Research Foundation. These were the origins of the Minerva project which was envisioned as a 400-acre island, built from poured concrete atop the reef and sand. On Minerva, according to Morris Davis, the temporary President of Minerva, “people will be free to do as they damn well please. Nothing will be illegal so long it does not infringe on the rights of others. If a citizen wishes to open a tavern, set up gambling or make pornographic films, the government will not interfere.”

This modest triad of concerns could have just as likely flowed from the pen of a flower child, a progressive Democratic Party member, Larry Flynt, or a participant at Burning Man. And that is, in part, the point: there are shared historical repertoires that link, say, the counter-culture with cybertulture.

With the failure of Minerva, Oliver shifted his emphasis from creating an island to colonizing one. Ironically, decolonization made this seem all the more possible. He is worth quoting at length on this point:

A surprising number of nearly uninhabited, yet quite suitable places for establishing a new country still exist. [...] The exact location of the new country cannot be revealed at this time. Yet, one has but to look at certain areas in the Western hemisphere to find that places for establishing a new, fair-sized country do exist. [...] Though some sort of governments are already in existence in all these places, they pose no problem of significance to those who would establish a government based entirely on the premise of free enterprise. Many such places are scarcely developed colonies whose governmental or other activities are of little or no concern at all to their ‘mother’ countries. There will be little problem in purchasing the land, or in having the opportunity to conduct affairs on a free enterprise basis from the very beginning. Though the ‘mother’ country may show unwelcomed interest when the new country prospers, time for imposing its edicts will by then have passed. The land will be bought from a colony whose ‘mother’

---

9 “Spears and a Nevada Businessman Help a South Pacific Island Proclaim Itself a New Country,”
10 Quoted in Ashes to Ashes, The New Internationalist
11 I do not have time to develop the argument here but for an excellent introduction, through the lens of Stuart Brand and his Whole Earth Network, see Fred Turner, From Counterculture to Cybertulture: Steward Brand, the Whole Earth Network, and the Rise of Digital Utopianism (Chicago: University of Chicago, 2006).
country is not powerful; yet even the larger colonial powers are diminishing control and interference over lands outside their boundaries, thereby providing a wider choice of locations for the new country.\footnote{12}

Oliver and his associates—including University of Southern California philosophy professor and close friend of Ayn Rand, John Hospers—appeared to have resurrected the ghosts of William Walker and various nineteenth century filibusterers when they decided to foment a secessionist movement amongst the 6,500 residents of the Abaco islands of the Bahamas, which had garnered its independence from Britain in 1973. Oliver had apparently received assurances from the Thirteenth Baron of Belhaven and Stenton (otherwise known as Robert Anthony Carmichael Hamilton) that the UK government would not intercede if the residents of Abaco seceded.\footnote{13} Oliver’s right-hand man in the uprising, set to take place on January 1, 1975, was Mitchell Livingston Werbell III who was described in 1981 by one author in the following terms:

OSS veteran of Indochina, millionaire firearms tycoon, head of Military Armaments Corporation (MAC), trainer of mercenary armies and inventor of the best muzzle silencer for the world's deadliest hand-gun - the Ingram ME machine gun pistol capable of firing 14 shots a second, weighing about 1.5 kilograms and costing less than $100. From MAC, naturally.\footnote{14}

Werbell lived on the conspiratorial fringes of political life. He had served a stint as a “paramilitary advisor” to Trujillo, the dictator of the Dominican Republic; he had been connected to illegal wiretaps of Senator Howard Baker’s office in Washington, D.C.; and had linkages to fugitive financier Robert Vesco at the time of the Abaco gambit.\footnote{15} Werbell and Oliver evidently aimed to privatize the vast majority of the Abaco archipelago but persuaded Abaconians to support the plot with the promise of small shares of land. Werbell planned in addition to build a new factory on the island to manufacture weapons, thereby bypassing U.S. laws in the Omnibus Crime Bill of 1969.\footnote{16}

\footnote{12} Oliver, \textit{A New Constitution}, 21-22, emphasis in the original.
\footnote{13} Van Fossen, 115-16. The role of such royals in many of these operations is worth further study, as are the later activities of Mark Thatcher, son of former Prime Minister Baroness Margaret Thatcher (aka, the Iron Maiden).
\footnote{14} Ashes to Ashes.
\footnote{16} See Van Fossen, 116.
The plot failed, in part, as Anthony Van Fossen argues, because while residents of Abaco wanted more autonomy, it was “never synonymous with [an] endorsement of Oliver’s imposed libertarian utopia.”\(^{17}\) Moreover, Werbell had become a liability when he was linked with illegal arms sales, DEA-funded plans to assassinate narco-traffickers, and wiretaps related to the Nixon Watergate break-ins.\(^{18}\) Werbell’s name had also come up in a series of DEA telegrams regarding efforts by a group of Americans to overthrow the government of Greneda.\(^{19}\) In the meantime a reporter at *Esquire Magazine* had investigated the Abaco fiasco and published a full exposé—“Surefire inflation dodge: Start your own country”—in the February 1975 issue. (Cher adorned the cover [“Whose man enough for this woman?”] and futurist Alvin Toffler adorned its interior.) The report came to the attention of U.S. Congressman Andrew Maguire who forwarded it to the U.S. Attorney General’s office. It eventually made its way to the Director of the FBI in order to determine if the plotters had violated U.S. law.\(^{20}\) Of particular concern was that Werbell was training mercenaries at his encampment outside of Atlanta (his Cobray International War School, in Powder Springs), with a forward headquarters in Miami.\(^{21}\) The FBI in fact had been tracking both Werbell and Oliver for some time. Copies of Oliver’s newsletter—in publication since 1969—had been circulated among FBI agencies.\(^{22}\)

Forced to lick his wounds yet again, in 1975 Oliver and a number of monetarist associates—including Harry Schultz, at the time the “world’s highest paid investment advisor” and whose newsletter would count Margaret Thatcher as a subscriber; Nathaniel Branden, former acolyte and paramour of Ayn Rand; and Hospers, a USC philosophy professor and candidate for U.S. president on the Libertarian Party ticket in 1972—formed the Phoenix Foundation.\(^{23}\) The Phoenix Foundation spoke of colonized peoples yearning for freedom but fearing socialism and communism. Such peoples and their leaders “sincerely want to build their country around the

\(^{17}\) Van Fossen, 117

\(^{18}\) Van Fossen, 117


\(^{21}\) FBI (NARA: 124-90115-10055) March 19, 1975

\(^{22}\) FBI Director to SAC, Las Vegas, September 11, 1974. (NARA: 124-90115-10041). A document also dated September 11, 1974 from the FBI detailed Oliver’s background. The letter noted that Oliver had tried to recruit the local sheriff to run security on Minerva if the project proved successful. FBI report on the M. Oliver Newsletter (NARA: 124-90115-10040). I am currently in the process of getting access to the newsletters.

\(^{23}\) Ashes to Ashes, The New Internationalist, July 1981; Van Fossen, 121-22
individual instead of creating a monolithic government. Surprisingly, there are several such embryonic potential nations around the world. And for all their spunk, they are having a tough struggle to repel the advances of marauders, for example, neocolonialists like Russia who care not a fiddle for basic human rights. We in Phoenix are actively giving these countries the encouragement, support, physical and technical advice they require."  

If the Republic of Minerva and the invasion of Abaco were farce, the Phoenix Foundation was tragedy. In March 1979, Oliver met with a group of German, Australian, French and English investors at a house in Melbourne. Plans were hatched and within a year brought to fruition when they armed and funded a secessionist rebellion on the island of Espiritu Santo in the New Hebrides islands (soon to be the Independent Republic of Vanuatu).  

This was the Nagriamel movement headed by Jimmy Moses Tubo Pantuntun Moli Stevens. Stevens championed a conservative, culturalist vision of society based on village life and kastom (or custom). Opposed to the nationalism of the leaders of the decolonization movement, disparaging them as collaborators with the west, he paradoxically allied himself with French colonial officials and the Phoenix Foundation. For French officials, the incentive to ally with Stevens was clear enough: a possible impediment to independence movements on the islands. And for the Phoenix Foundation? Besides wanting to help “the most disciplined people I have ever seen, not like those hippies in Berkeley,” Oliver and the Phoenix Foundation armed the insurgents because of the promise of a libertarian, autonomous free trade zone on 4000 hectares of ocean-front real estate. The foundation would sell lots to ‘investment-settlers’ who would come together in a space which would be entirely privatized—from the landscapers, to the doctors, to the police. It would all be subject to market mechanisms. Potential settlers included many of the French colonials with vested interests on Espiritu Santo, but it also included others. Oliver had formed a business relationship with Hawaiian business mogul Eugene Peacock. Peacock had, beginning in the mid-1960s, begun to purchase large swathes of land in the future country of Vanuatu, part

---

24 Cited from Ashes to Ashes, The New Internationalist.
26 Matsuda, Pacific Worlds, 310
27 For the quote see “Spears and a Nevada Businessman Help a South Pacific Island Proclaim Itself a New Country,” People 14: 3 (July 21, 1980). Available at: http://www.people.com/people/archive/article/0,,20077020,00.html [Last accessed January 31, 2014] In the article, Oliver claims explicitly not to have armed in any way the secessionists.
28 Van Fossen, 120-121; Robert Aldrich, France and the South Pacific Since 1940, 208-09
of an increasing boom in land speculation. He developed plans to subdivide his myriad land purchases for settlement by American immigrant families as well as soldiers serving in Vietnam who did not wish to return to the U.S., and Peacock evidently preyed on the fears of those with Vietnamese wives that they would not be welcomed back in the U.S. French and British authorities in the early 1970s put an end to the land speculations with new regulations but Peacock refused to admit defeat and instead allied himself with Oliver and his associates.29

For all that, Peacock, Oliver and his investors were to suffer disappointment again. The Foundation’s efforts in Vanuatu failed, but only after the fledgling government called in assistance from Papau New Guinea. Still, Oliver did not retreat. A decade later, in the 1990s, he allied with the Israeli Mondragon group in an effort, yet again, to create a free trade zone on 80,000 hectares of land in Vanuatu. In a subversive twist, the group took its name from the highly successful Mondragón cooperatives of the Basque region in Spain but with vastly different aims in mind: rather than creating workers’ cooperatives that provide an array of economic and social services, the Israeli Mondragon group sought a 99-year lease to create an economic and cultural enclave free of taxes, customs duties and import and export regulations. This effort too failed and an ombudsman’s report was emphatic in its conclusion: the deal was dirty.30

And then there is this, from wikileaks and dated September 6, 2006: a cable from U.S. Ambassador Robert Fitts.

The Vanuatu Minister of Lands [Maxime Carlot Korman] recently signed an MOU with an obscure group of American investors to consider establishing a free port with an autonomous government. This closely parallels a 1980 attempt by the Phoenix Foundation which was only ended by bringing in PNG troops (ref A). The 1980 version would have had the powers to issue currency, passports, and was supposed to have featured untaxed and unregulated free flow of capital. (C)

29 Aldrich, 208-09
Ambassador learned Sept 6 from the Vanuatu Deputy Prime Minister that many of the same American figures are behind the current effort.\textsuperscript{31}

III

A signal moment—a speech actually—in what will become the history of climate change took place in 2008. Kiritabi President Anote Tong, speaking at a United Nations environmental forum in New Zealand, left the assembled participants with a sobering point: “To plan for the day when you no longer have a country is indeed painful but I think we have to do that.”\textsuperscript{32} It was a poignant and solemn declaration of what the future most likely held for the tens of thousands of inhabitants of the I-Kiribati archipelago in the Pacific.

The very same year, the Sea-Steading Institute (TSI) would host its annual gathering in San Francisco, where investors and engineers and thinkers and dreamers—many linked to Silicon Valley—would gather to plan for the day when a country would appear on the ocean. It should come as no surprise that Silicon Valley—with its heady mix of technological innovation, financial accumulation, and California-capitalist excess—has generated some of the most powerful recent efforts to bring anarcho-capitalist visions to fruition. In some instances these have taken shape in the form of plans for floating laboratories, moored off the coast of Half Moon Bay, where one can import foreign engineers and bypass—or ‘hack’—U.S. immigration laws (and, evidently, create a feudal class of scientific serfs) and still link to the ‘Silicon Valley eco-system.’\textsuperscript{33} The most well-known of such efforts, however, has been the establishment of The Seasteading Institute, heavily funded by libertarian Peter Thiel, founder of PayPal, Inc., an early investor in Facebook, and on the Forbes list of the 400 richest Americans in 2011. Convinced that “freedom and democracy” are not compatible, Thiel advocated for libertarians to “find an escape from politics in all its forms — from the totalitarian and fundamentalist

\textsuperscript{31} \url{http://wikileaks.org/cable/2006/09/06PORTMORESBY369.html}
I do not have time here to go in to the history of Korman, who has been plagued with corruption allegations, including pocketing some $1.1 million U.S. in French aid after a cyclone hit the island while he was president. See the World Bank report at: \url{http://star.worldbank.org/corruption-cases/node/18646}

\textsuperscript{32} Cited in Matsuda, Pacific Worlds, 376

catastrophes to the unthinking demos that guides so-called “social democracy.”” But where to escape? Thiel identified three ‘locations’: cyberspace, outer-space and the ocean.\textsuperscript{34}

The ocean might seem, of the three, the most practical in the short-term but it does come with substantial challenges. This is why thus far such hydro-colonization efforts have been limited at best. Houseboats, and any floating apparatus less than twelve miles out to sea from the coast-line, do not escape the reach of state political sovereignty. Small, uninhabited islands far from large land masses are not free of state control. For example, as of the writing of this essay, if you had a cool 6,900,000 euros at your disposal you could buy the atoll of Taiaro in the Pacific (1,500,000 acres of land surrounding a 3,000,000 acre lagoon some 350 miles northeast of Tahiti and declared a UNESCO Biosphere Reserve protected area in 1977), but the island is a part of French Polynesia and comes under political control. Michael Oliver’s disastrous Minerva expedition revealed additional limitations. The Residentsea project has a cruise line called \textit{The World} which, according to the collective owners, is the “largest privately-owned yacht in the world.”\textsuperscript{35} Launched in 2002 it has 165 private residences on the yacht, which itself is collectively owned by those who purchase one or more of the private residences. A certain percentage of those shareholders live year-round on the yacht, but even then they are dependent on ports of call and state apparati for much of their livelihood.

Enter Thiel and Patri Friedman, grandson of free market guru Milton Friedman who served as invisible intellectual hand of the radical and violent privatization of Chile’s economy under the dictator Pinochet. Inspired by the economics of Ludwig von Mises and the fictions of Ayn Rand, Thiel has devoted portions of his money and time to funding the development of sophisticated engineering plans—both mechanical and social—for privately-owned, autonomous ocean communities (or seasteads) in ocean spaces beyond the 12-nautical mile political zone.\textsuperscript{36} The Institute is developing engineering plans for a means to create floating micro-cities in the ‘open’ ocean, beyond any state sovereignty, by means of ballast and new

\textsuperscript{34} Peter Thiel, “The education of a libertarian,” \textit{Cato Unbound} (April 13, 2009), at \url{http://www.cato-unbound.org/2009/04/13/peter-thiel/education-libertarian}
\textsuperscript{35} \url{http://aboardtheworld.com/our_story}
energy technologies. Such sea-cities would serve both economic and ideological purposes: taxes would be non-existent while the possible successes—whatever those might be, and however they might be measured—would confirm for the creators the libertarian thesis regarding the benefits of the unfettered market: a truly private world. It is a place where inhabitants can enact and put to the test the premises of radical liberal thought: *Robinson Crusoe* meets Milton Friedman on a time-share oil rig in the ‘open’ ocean. (To what degree in fact the ocean can be considered ‘open’ or unclaimed is an open question. And if we were to take seriously the words James Cook penned in his journal when writing about ocean-going native societies in Oceania (“How are we to account for this *nation* spreading itself across the Vast ocean?”), it is unclear how much of a claim can be made that the ocean is indeed ‘open.’ Double-hulled outrigger canoes have carried oceanians seasonally to fishing grounds, to lagoon settlements, and across a broad plain that is hardly aqua nullius. In other cases—such as China—maritime tradition held that seascapes were overlapping and accommodated multiple, intersecting claims. The Seasteading Institute may be, in other words, a technologically-innovative form of settler colonialism.)

Regardless, as the recent authors of a paper on the seasteaders has persuasively argued—and as some in the seasteading venture have themselves argued—the institute is less about actually making the seastead vision happen, something which seems a long way off at best, but rather to “spur” additional kinds of visions and initiatives and “more practical alternatives.” The idea of the ocean as a space for potential permanent human settlement is not new. In the twentieth century such visions have appeared with mantric regularity. Marshall Savage’s Millennial Project (articulated in his book with the self-helpish sub-title “Colonizing the Galaxy in Eight Easy Steps”) envisioned sea-colonization as a first step toward space colonization. These are big projects, requiring abiding faith and deep pockets.

---

38 Matsuda, Pacific Worlds, 104-05
39 Steainberg, et. al., Atlas Swam, 3
One could argue that the idea of ocean colonization has become more timely and attractive in the era of the so-called ‘anthropocene.’ It is more than narrative convenience that the President of Kiritabi’s speech and TSI’s inaugural reception coincided in 2008. The fact is there is as much political ecology as there is political economy at work in the sea-steading movement. If homo economicus (Mr. Rational Choice) walks the earth, s/he does so in the era of the so-called Anthropocene. Popularized by atmospheric chemist Paul Crutzen as a means to recognize an era in which humans directly impact geologic time (through dramatic climate change), the Anthropocene has been taken up in recent years by a number of social scientists, including Dipesh Chakrabarty who sees in the crisis of global climate change a need for a new
approach to history and contemporary theory. Chakrabarty’s essay is, as one would expect, nuanced and thoughtful but one aspect of the argument deserves further consideration. In a moment of optimistic pessimism—for lack of a better phrase—he notes that “[t]here are no lifeboats here for the rich and the privileged.” We are all in this together. Climate change is a potential catastrophe of a magnitude unknown by humanity, one which will make no distinction in terms of class. In some ways true perhaps, in much the same way tuberculosis makes no such distinctions either. But the cases of TB among the poor of the world far outnumber those of the wealthy. The consequences of climate change will similarly be unequally distributed. More to the point, projects such as sea-stead ing—as well as current private efforts to investigate space travel, planetary colonization, cryogenic preservation, and good old-fashioned ‘sustainable’ gated communities—suggest there may in fact be a lifeboat or two available, an escape, for those whom Mike Davis has aptly termed “earth’s first class passengers.” A rising tide lifts all engineered floating gated sovereign investment-strategy start-up oceanic platforms.

IV

TSI was, until very recently, directed by Patri Friedman. Recently, Friedman left TSI to start Future Cities Development, Inc. Along with a CEO of Whole Foods, a founder of the charter schools movement, an NYU economist, and the purported “porno king of Canada,” he gravitated to Central America. All of these individuals have, over the past three years, been linked to an effort to establish private, autonomous, charter cities on the Caribbean coast of Honduras. In early 2011 the Honduran congress amended the country’s constitution to allow the development of so-called ‘model cities’ on the country’s coast. The cities would be self-governing private enclaves, not subject to Honduran law or taxes. “Who wants to buy Honduras?,” asked the New York Times in a front-page article.

It is hard to imagine any such efforts would have seen the light of day only two years prior, when Honduras was still governed by its democratically-elected president, Manuel Zelaya.

---

44 Steinberg, et al., Atlas Swam, 2.
45 Keranti Bondo, Land Grab, p. 175
But in the early morning hours of a Sunday in June of 2009, Honduran troops escorted Zelaya across the tarmac of Tegucigalpa’s airport and on to a plane bound for Costa Rica. He would not return anytime soon. He had just been deposed in a military coup d’etat. When he disembarked in Costa Rica, Zelaya was still in his pajamas. His arrest and expulsion came on the heels of a battle over Zelaya’s efforts to hold a non-binding referendum regarding revisions to Honduras’s constitution. But the broader context was one in which Zelaya, in his cowboy boots and brash populism, had alienated Honduran elites by focusing on the social problems confronted by Honduras’s poor and his admiration for Venezuelan president Hugo Chavez. Zelaya’s successors charted a different course, one which included charter cities.

Charter cities are at times referred to as the brainchild of economist Paul Romer. Romer, formerly at Stanford and now at NYU, has argued that traditional aid and development strategies have failed poorer countries. In this, of course, he is not alone. Commentators, officials, academics and prognosticators across the political spectrum have argued at length for changes in the structure of how aid and development operates. The devil is in the details. Romer’s suggestion is that countries—such as Honduras, say—lease swathes of their national territory to foreign investors who would take the lead in building ‘charter cities.’ Such cities would be gated communities and akin to colonial enclaves, a characterization from which Romer does not shy. Given the locations on which they would be raised, they would also be purportedly ‘clean slates,’ freed in some sense from history.

Romer explored his idea first in Madagascar, starting in 2008, where the government was considering a leasing a plot of land the size of Connecticut to South Korean Daewoo corporation. Romer’s plans for charter cities captured the president’s attention but a coup d’etat soon snuffed it. Ironically, it was a coup d’état that opened up the possibilities for charter cities in Honduras. The project stalled however when the human rights leaders challenged the constitutional amendments and their challenges were substantiated by a majority of Supreme Court Justices who declared the amendments unconstitutional. Subsequently, one of the lead attorneys opposing

---

47 In this he may share in fact a certain nostalgia for empire with conservative enfant terrible Niall Ferguson.
48 Not unlike the scenarios embraced by the ‘disaster capitalists’ so eloquently critiqued in Naomi Klein, The Shock Doctrine.
the amendments was gunned down in Tegucigalpa and four supreme court justices fired. This past March the Honduran Congress approved a reworking of the constitution in order to allow for, among other things, the creation in the country of special zones such as “international financial centers, international logistical centers, [and] autonomous cities.” In the meantime, Romer has withdrawn from the project, in part because the Honduran elites pushing the project have been negotiating with other foreign parties.

Similar initiatives to create ‘start-up cities’ are being worked through in neighboring Guatemala at the Francisco Marroquín University, whose campus auditoriums and lecture halls are named in honor of Milton Friedman and Ayn Rand. Meanwhile, fellow travelers have set up shop in Santiago, Chile, only an hour away from a new libertarian gated community—you can purchase a lot, if you so desire, with bitcoins—calling itself Galt’s Gulch. (The venture takes its name from Rand’s *Atlas Shrugged* protagonist John Galt, although founder Ken Robinson admits to never having finished the book. No worries: he saw the movie.)

One could go on. The initiatives—many of which founder before ever really getting off the ground—are growing exponentially, in true ‘iterative’ start-up fashion. But what I want to stress here is that such efforts are hardly new and need to be historicized. These are undertakings that, while attracting substantial buzz on websites and among techno-capitalists, have been given less attention by academics. But even more troubling to me at least is the degree to which such projects have not been situated in a broader and deeper historical context. The most avid progenitors of such projects themselves seem immune to the possibility that history can teach much. Take, for example, Michael Strong’s FLOW (Freedom Lights Our World), which is right in the vein of the ‘entrepreneurship-and-property-rights-will-save-the-world’ discourse: On the website we find the following catchistic moment:

---

49 Interestingly enough, the recent release of emails of Stratfor, in Austin, by Wikileaks, shows the company following Romer’s work. For more on Stratfor being hacked, see Parmley, *We are Anonymous.*

50 “Honduras: CN conoce ahora otra versión de ‘ciudad modelo’” in *El Heraldo* (Tegucigalpa, March 15, 2013), available at [www.elheraldo.hn/Secciones-Principales/Pais/Vuelven-las-ciudades-modelo-a-Honduras#.UZUbQkvWl2w.email](http://www.elheraldo.hn/Secciones-Principales/Pais/Vuelven-las-ciudades-modelo-a-Honduras#.UZUbQkvWl2w.email) My thanks to Marc Edelman for forwarding the article to me. “Kevin Lyons was also responsible for setting up Grupo Ciudades Libres, a never-legally-established Nevada company whose goal was to set up a Free City in Honduras, according to The Economist. Grupo Ciudades Libres LLC’s filing as a partnership was revoked by the state of Nevada for not paying any of the associated legal fees that were due as part of establishing the company in 2011.” [http://hondurasculturepolitics.blogspot.com/2012/10/model-cities-definitively.html](http://hondurasculturepolitics.blogspot.com/2012/10/model-cities-definitively.html) So much for the rule of law. [see also the review of books, nov. 18, 2012](http://www.economist.com/blogs/schumpeter/2013/12/libertarian-enclaves)
Aren’t FLOW’s stated goals of achieving peace, prosperity, happiness and sustainability in 50 years idealistic?

Yes, exceedingly so. Indeed, they are possible if and only if we are able to obtain the commitment and cooperation of thousands of motivated idealists and creative entrepreneurs who understand the role of freedom, property rights, and rule of law, on the one hand, and creativity, innovation, and entrepreneurship, on the other hand, in creating a better world.

These fundamental classical liberal institutions first received widespread acceptance in late 18th and early 19th century Britain and the U.S. Not even the most wild-eyed idealist in 1800 could have predicted the fantastic increase in working class standards of living that followed.

Similar institutions followed in the rest of Europe in the first half of the 20th century, and among Japan, South Korea, Taiwan, Singapore, and Hong Kong in the second half of the 20th century, resulting in similarly remarkable gains in the standard of living of the masses.

Today Chile, China, India, Dubai, Ireland, and the Baltic Republics are beginning to implement classical liberal principles and allowing their peoples to improve their standards of living. In the last ten years Ireland has moved from among the poorest of EU nations to among the wealthiest due largely to the implementation of classical liberal principles.

Remarkable in its absence here is any mention of colonialism. And the last line? Ireland has one of the highest unemployment and hunger rates in Europe. Its current flow of outmigration is comparable to that which occurred during the potato famine.

V

“For as long as humans have been persecuting and killing one another, hunted men have sought salvation on the seas […] and it is surely fugitives, rather than conquerors, who led the
The general thrust of Serge’s assertion was for a long time true. Even in the age of sail, islands functioned as places of escape and refuge for lowly crewmen who tired of the ruthless hierarchies of the ship. Captains of whaling and sealing vessels constantly confronted the threat of desertion and struggled to keep men from fleeing to ad-hoc communities established by earlier deserters in places like the Juan Fernandez islands and the various atolls of the Pacific or outcroppings of the Atlantic. The seas, for much of their history, were akin to the non-state spaces of hill people studied by James Scott and William von Schindel.

Serge sought, and eventually found, refuge in Mexico rather than on the seas or some hidden archipelago. He had learned something: “there are no more islands to discover […] the urban labyrinth is a safer bet than any distant archipelago.” The distant archipelagos are going under. New ones are being built. What were once safe havens for the exploited have become tax havens for the exploiters. These individuals’ initiatives are ideologically linked to radical free marketeer perspectives that share little with those seeking autonomy from persecution and exploitation and searching for alternative sites for the construction of an egalitarian future.

Oliver’s idea for Minerva was “to attract a population of 60,000 to a fancy sea resort, called Sea

---

52 Serge, *Unforgiving Years*, 92
53 Serge, *Unforgiving Years*, 92
54 “A tax haven is a jurisdiction which allows residents or foreigners to minimize their tax payments”; in contrast, “an offshore financial centre is a tax haven jurisdiction which has at least one significant institution primarily oriented towards accepting deposits and investment funds, and where intentional government policy is oriented towards attracting the business of foreigners by creating legal entities and structures, or facilitating immigration, naturalization, residence, or the acquisition of passports to allow foreigners to minimize taxes, regulation, loss of assets, unwanted financial disclosure and forced disposition of property. All offshore financial centres are tax havens. Not all tax havens are offshore financial centres.” Anthony Van Fossen, “Secessionist Tax Haven Movements in the Pacific Islands,” *Canadian Review of Studies in Nationalism*, 90.
City, which was to be constructed on the reefs, where residents would have "no taxation, welfare, subsidies, or any form of economic interventionism."  

So let's be clear: despite the libertarian bluster and defensive posture, their efforts are not to escape the state per se. Presumably if linked up to a global economy they still want the federal reserve around; Galt’s Gulch is a gated community, which means some form of protection of property rights; the various initiatives to create floating workspaces beyond political sovereignty still want to be close enough to link to the Silicon Valley ecosystem; and so forth. These are efforts to escape aspects of the state they do not like: work visas, OSHA, taxes, and so forth. The worrisome thing here is that the aspects of the state they wish to escape begin to look suspiciously, in many cases, like those things associated with labor rights, social supports, and the welfare state. Don’t like taxes? No worries. ‘Sustainability’ starts to sound like the new version of 'development,’ an emerging ‘field’ with lots of profit-making opportunities. Their concerns are not with the commonwealth, but wealth. We are not talking here about equality. So one should not confuse the projects of the seasteaders with those of anarchists. Suspicion of the state—an escape from the state—is not enough. Comb the pages of the Seasteaders’ work and you will find numerous references to ‘freedom’; rarely will you see the word ‘equality.’ When it comes to social questions, the new libertarians and ‘radical social entrepreneurs,’ despite their do-gooder bluster, can at best only muster a shrug. Their eyes are elsewhere: on well-placed sympathizers in the halls of government and the wallets and pocketbooks of their corporate welfared subsidizers. In that, their libertarian bluster looks like little more than what it is: ideological cover for new age freebooters operating on the basic principle of greed. And this explains why we have to suffer the return of Ayn Rand. Strange, it might seem, at first; after all, Rand, in an exchange with founder of quintessential American-style ‘anarcho-capitalism’ Murray Rothbard, responded to his visions of colonizing the ocean with characteristically devastating dismissiveness. “You’re nuts,” she purportedly stated. And Rand never had much time for anarchists nor the purist libertarians, despite her affiliations with von Mises and her declaration that Hayek was a traitor (!). She still felt a minimalist state was necessary: otherwise, she asked, who would jail the communists? So how to explain her return?

---

56 FLOW presumably went to the state for its Tax Exempt 501(c)3 status, although if you actually click on the link to their Tax Exempt document on their website, you are confronted with the supreme irony: a blank pdf. Perhaps they are self-exempt.
It is not her anti-statism per se, nor her revelry in the free market, that has shaped the recent turn to Rand: it is, rather, the critique of “altruism” and the faux-philosophical legitimation of greed.

And the ocean? Perhaps it is more than happy coincidence that Rand’s capitalist utopia in *Atlas Shrugged*, located high in the peaks of the Rocky Mountains, was named *Atlantis.*

---

57 Much has been made of Rand’s Russian origins, to the degree that some argue that ‘her’ philosophy of selfishness is in fact incompatible with American values (whatever those are) or the ideals of the ‘founding fathers.’ Al-jazeera radio show, September 19, 2012. This strikes me as profoundly misplaced as a critique of Rand and the ideals she espoused: as Corey Robin has persuasively argued, in a wonderfully titled chapter (Gravitas and Garbage), Rand and her philosophy of selfishness was a product not simply of her experiences as a young girl in the Soviet Union but of California, Hollywood, and southern California capitalism. Robin, *The Reactionary Mind,*?