

A Brief Intro to Anarcho-Distributism

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Anarcho-distributism can't really fit neatly into typical categories. It is neither anarcho-capitalism nor anarcho-communism: it is simultaneously neither and both. It is basically mutualism, but of a different variety. It is anti-capitalist in the fullest sense.¹ It is left-libertarian.

As an anarchist, the anarcho-distributist is ultimately looking for the total abolition of the State. However, the anarcho-distributist is realistic about the role that the government plays in existing society and will continue to play in the immediate future. We see distributism as a steppingstone on the way to voluntaryism (voluntary government), which will open up the market to competition in every sphere—free banking, competing currencies, competing “police” services in the same area, competing defense forces, etc. This voluntaryist State, which allows voluntary agencies on the free market to compete with it in every way, will ultimately “wither away” as free competitors in defense, security, law, banking, etc. reduce it to a non-governmental status as just another competitive firm in the free market.

Before we can arrive at anarchy, or even at voluntaryism, we must first implement distributist policies in order to undo some of the things that the government has done. Anarcho-distributism is a form of “**dialectical libertarianism**.”² The *dialectical libertarians* point out that there are two types of government interventions in the economy: *primary interventions* and *secondary interventions*. There is an initial intervention, which is the primary cause of injustice. Often, these primary interventions end up having negative (sometimes unintended) consequences. For instance, the government may introduce a regulation that restricts competition and creates an artificial monopoly (this is a primary intervention), but the monopoly will inevitably have monopoly prices—the lack of competition will lead to unnaturally high prices. Consequently, the government must do something in response to this unintended consequence of their primary intervention. In order to ameliorate or relieve the burden of the monopoly, which manifests itself in monopoly prices, the government may decide to engage in price fixing, limiting the amount that the monopoly is allowed to charge for its goods or services (this is the secondary intervention). We ought to push for the immediate abolition of all rules and regulations that can be demonstrated to be *primary interventions*. However, the dialectical libertarian holds that one ought not to repeal the *secondary interventions* until you have first undone the primary intervention. You cannot justly abolish price fixing for monopolies unless you first abolish the monopoly by allowing free competition. We ought to repeal the restrictive regulations that empower monopolies with unjust privileges before we even consider repealing the government's restrictions on the monopoly's power to exercise its privilege. The *secondary intervention* ought to be abolished after—and only after—the *primary intervention* is abolished.³

¹ “Anarcho-Distributism” is a term that I coined to describe my own views of how an anarchist revolution could be brought about. It is an eclectic notion that synthesizes the best ideas of distributism, voluntaryism, and anarchism. I am the primary advocate of this position at the moment, although there are a few others who subscribe to some form of anarcho-distributism. Personally, I regard myself as being a pan-anarchist, advocating “anarchy without adjectives,” and supporting mutualism, individualist anarchism, and communist anarchism too. Anarcho-distributism is not so much a political philosophy as it is a philosophy about political methodology related to anarchism.

² Cf. Chris Sciabarra, *Total Freedom* & Kevin A. Carson, *Free Market Reforms and the Reduction of Statism*

³ Cf. Kevin A. Carson, *Free Market Reforms and the Reduction of Statism*: “The strategic priorities of principled libertarians should be just the opposite [of the typical “vulgar libertarian” strategy]: first to dismantle the fundamental, structural forms of state intervention, whose primary effect is to enable exploitation, and only then to dismantle the secondary, ameliorative forms of intervention that serve to make life bearable for the average person living under a system of state-enabled exploitation. As blogger Jim Henley put it, remove the shackles before the crutches.” (brackets mine)

To a certain extent, we can look at minimum wage laws as being a sort of secondary intervention. Government policies and regulations have caused wage-labor to be necessary for most citizens. The collection of property taxes, the subsidizing of big businesses so that individual entrepreneurs can't compete with their small businesses, mandatory insurance laws, zoning restrictions that prohibit individuals from operating certain types of businesses out of their homes, and a whole host of other regulations artificially create an economic system in which the majority of individuals have no other option but to turn to wage-labor. If you own a home, you must turn to the wage-labor market in order to earn a steady income. Why? Because you have to be able to pay the property taxes in order to keep the government from taking your home away. As a result of these policies, the supply of wage-labor is artificially high, which allows employers to purchase labor at an artificially low price (a price much lower than its real market value). The minimum wage is a secondary intervention that is ameliorative of the negative consequences of those primary interventions mentioned above. An increase in the minimum wage may affect many people in a negative way. However, it may be necessary to raise the minimum wage if we cannot immediately abolish the primary interventions, such as corporate subsidies, which are constantly increasing the burden of wage-slavery. However, we ought to try to reduce the unintended negative consequences of any increase in minimum wage as much as we possibly can. Perhaps a separate, lower minimum wage might be necessary for teenagers and people doing certain types of unskilled labor. Perhaps small businesses ought to have a lower minimum wage that they are required to pay their employees; the lower minimum wage for small businesses would serve as a sort of subsidy to small businesses, as a way of counteracting the massive subsidies that big businesses already get. The big businesses that receive a lot of subsidies can afford to pay more and ought to be forced to pay their employees more than small businesses that do not receive such subsidies. Insofar as the big businesses have lobbied for and taken subsidies from the State, they have become an economic extension of the State. A regulation on such a business is not necessarily an injustice, just as a government regulation that limits the powers of the State is not a bad thing.⁴

The point in all of this talk of *dialectical libertarianism* and *primary* vs. *secondary* interventions is to emphasize that the typical “vulgar libertarian” approach is extremely flawed. Dialectical libertarianism calls us to consider the system as a whole and to consider the role that is played by each instance of government intervention. In the words of Keven A. Carson, “This means it is a mistake to consider any particular form of state intervention in isolation, without regard to the role it plays in the overall system.... We must remember that the measure of statism inheres in the functioning of the overall system, not in the formal statism of its separate parts. A reduction in the formal statism of some separate parts, chosen in accordance with the strategic priorities of the statists, may actually result in a net increase in the overall level of statism. Our strategic agenda as libertarians, in dismantling the state, must reflect our understanding of the overall nature of the system.”⁵

Again, anarcho-distributism is realistic. It recognizes that markets are useful and—under existing conditions—necessary. It is worth noting that Bakunin and Bukharin (in my opinion, two of

⁴ Cf. Keven A. Carson, *Free Market Reforms and the Reduction of Statism*: “Moreover, regulations that limit and constrain the exercise of [government-granted] privilege do not involve, properly speaking, a net increase in statism at all. They are simply the corporate state’s stabilizing restrictions on its own more fundamental forms of intervention.” (brackets mine)

⁵ Keven A. Carson, *Free Market Reforms and the Reduction of Statism*

the most important communist writers) both made the same observation. Markets are an epiphenomenon of statism, but are also necessary now; and quite useful for the anarchist cause, especially if we can free them from regulation. Furthermore, if anarchists could preserve the market for luxury goods in the post-capitalist society, that would be a beneficial arrangement.

Our end goal is the total abolition of the State, but that cannot be achieved overnight. There is a certain order in which the State and its emergent epiphenomenal economic structure must be eliminated, piece by piece. Otherwise, the current beneficiaries of State privilege will be given an unfair advantage and no genuine free/fair competition could ever exist. (And advocates of “free” markets mean “fair” markets, where freedom is limited upon egalitarian terms of “equal liberty.”⁶ People would not be permitted to compete through coercive means.)

Under the existing system, we basically have a land-monopoly. There is very little private-ownership of land. Most land is owned by corporations and banks (who rent it out under mortgages). This situation came about due to “enclosures” and “immanent domain” policies in the past, as well as through a capitalistic/feudal legal framework, through which the governments have confiscated private property and commons in order to redistribute ownership to an oligarchic elite, thereby creating landlords and eventually the capitalist class. The existing inequality in terms of the distribution of wealth was created by government intervention. Capitalism is nothing like a free market. The term *capitalism* in reference to a specific economic system was originally coined by Thomas Hodgskin, a free-market economist and Ricardian socialist. Hodgskin used the term to refer to the existing economic system during the Industrial Revolution, which system was heavily interventionist in nature. Capitalism is an economic system in which the State intervenes in the economy in order to benefit the capitalist class at the expense of all other classes. The chief characteristics of the capitalist system are (1) that wage-labor is an *ordinary* phenomenon and (2) that the vast majority of people are not capitalists or owners of productive property.⁷

⁶ Cf. the “law of equal liberty,” as espoused by Herbert Spencer in *Social Statics* (Chapter 4, Section 3), which asserts that each individual ought to have “freedom to do all that he wills provided that he infringes not the equal freedom of any other” to do the same.

⁷ Cf. Kevin A. Carson: “Capitalism, as distinguished from a free market, is a system in which the state represents the owners of capital and land and intervenes in the market on their behalf. Its enforcement of special privileges keeps land and capital artificially scarce and expensive in comparison to labor, so that labor must pay tribute for access to the means of production. Let, therefore, the state remove its guarantees of privilege, and let the suppliers of land and capital compete in a free market without entry barriers, and land and capital will cease to draw monopoly returns.”(Kevin A. Carson, *Free Market Anti-Capitalism*) & Hilaire Belloc: “[Capitalism’s] main characteristic is the possession of the means of production, that is land and machinery, by a small number of citizens, while the great majority of citizens remain dispossessed not only of the land and machinery, but of the stores of food and clothing and housing, without which men cannot live.”(Hilaire Belloc, *Nationalization*) & John C. Médaille: “In capitalist economies, the vast majority of men are not capitalists; that is, they do not have sufficient capital to make their own livings, either alone or in cooperation with their neighbors, but must work for wages in order to live.”(John C. Médaille, *Toward a Truly Free Market*, Chapter 5)

Even Karl Marx does not use the term *capitalism* as a mere synonym for a “free market.” *Capitalism*, according to Marx, has two primary characteristics: firstly, the “accumulation” or concentration of the majority of capital into the hands of a small class of capitalists and, secondly, the subjugation of the rest of society to wage-labor as the employees of the capitalists. Cf. Karl Marx: “... **capitalism, when social wealth becomes to an ever-increasing degree the property of those who are in a position to appropriate continually and ever afresh the unpaid labour of others... Only when and where wage labour is its basis** does commodity production impose itself upon society as a whole; but only then and there also does it unfold all its hidden potentialities.... To the extent that commodity production, in accordance with its own inherent laws, develops further, into capitalist production, the property laws

Distributism

The first step is *distributism* à la G.K. Chesterton and Hilaire Belloc.⁸ A redistribution in reverse, in order to undo the original redistributive effects of old government policies, is necessary. The problem of land-monopoly might be remedied through a quasi-Georgist policy, whereby property taxes are used to encourage development of small plots and discourage large holdings. However, the anarcho-distributist would have no taxes on individually owned property that is occupied and used by the proprietor. We would want property re-redistributed away from absentee landlords and mortgage-holders, with full ownership being granted to the actual possessors/users of the land. Ownership needs to be redefined in terms of *occupancy and use*. Large holdings of land by corporations should be taxed quite high, applying Hilaire Belloc's "differential tax" in terms of a land tax, to prohibit large holdings of land.

Big corporations have only prospered because of the privatization of profit and the socialization of costs—they have grown abnormally large, past the point of *optimum size*,—defying the *law of diminishing returns*—almost exclusively through government privilege. The use of Belloc's "differential tax" on businesses would help undo the evil effects of the historical upwards redistribution of wealth by government. The concentration of wealth into the hands of the few has come about because of unjust privileges given to certain individuals and corporations by the State. A re-redistribution of that wealth is not inherently unjust, just as taking a stolen item back from a thief is not theft. A small local business would pay no tax, while taxes would be applied as businesses expanded and metastasized. If you had one to five stores, no tax would apply; but the addition of a sixth store location would result in a moderate annual tax, the addition of a tenth location would result in a higher annual tax, and so on, until the tax burden becomes so high as to prohibit further expansion.⁹ And companies like Walmart should be forcefully broken up,

of commodity production change into the laws of capitalist appropriation."(Karl Marx, *Capital*, Vol. 1, Chapter 24, Section 1 [emphasis mine]) & "**Capital in the form of money must always be available, particularly for the payment of wages, before production can be carried on capitalistically.** But the landowners may take hope. Everything comes to those who wait, and in due time the industrial capitalist will have at his disposal not alone his own money but also that of others."(Karl Marx, *Capital*, Vol. 2, Chapter 1, Section 1 [emphasis mine]) "Agriculture is carried on **capitalistically, that is to say, it is the enterprise of a capitalist** farmer on a large scale; **the direct cultivator of the soil is the wage-labourer.**"(Karl Marx, *Capital*, Vol. 2, Chapter 19, Section 1 [emphasis mine]) The way that I use the term "capitalism" is in line with the way that the term was originally used by both free-market theorists and by advocates of statism.

⁸ Cf. Donald P. Goodman III: "This is the defining characteristic of Distributism: the widescale distribution of productive property throughout society, such that ownership of it is the norm, rather than the exception." (An Introduction to Distributism, Part 1 [viewed 8/29/2012]) & "The widespread distribution of productive property is the primary goal of Distributism." (An Introduction to Distributism, Part 2 [viewed 8/29/2012])

⁹ Cf. Hilaire Belloc: "The principle of the Differential Tax is that a different proportion of taxation, as well as a different amount, may be applied to men in different circumstances. For instance, if you apply an income tax of zero to incomes under \$2,000, of 5 per cent between \$2,000 and \$5,000 of 10 per cent between \$5,000 and so on, that is a differential tax."(Hilaire Belloc, *The Differential Tax*) Belloc goes so far as to say that "the aim of all sound social reform" should be "the wider distribution of property" and that the differential tax is "a tax specially aimed against excessive accumulation."(ibid.) Belloc points out that this is "nothing revolutionary," since all states in the modern world practice progressive taxation. His only objection is that they "do not practice it for the one really useful end it may serve, which is the better distribution of property."(ibid.) This better distribution of property is needed for freedom to exist, he says, because: "Where it is only income that is well distributed men are still under the thumb of whoever or whatever pays that income, but where ownership is well distributed the owners are, all of them, free men."(ibid.) The anarcho-distributist, however, holds that this principle of a differential tax ought not to be applied in the form of an income tax, but rather as a tax on property and as a tax on corporate profit.

forced to break up into smaller companies—like the breaking up of the old monopolies during the antitrust era.

The distributist principle of *subsidiarity* must guide us. The rule of *subsidiarity* holds that things should be done as locally as possible, by the smallest unit of government/administration able to perform the function efficiently. Consequently, we must shift power downwards, decentralizing production. This is especially the case with the State and its production of defense, security, law, and arbitration services. We must see to it that the local government takes over more and more functions of the federal government. Those things that can be done locally should be done locally. This means that legislative power should shift downwards, with state/local law taking precedence over federal law. Whenever there is a contradiction between state law and federal law, state law should be upheld and the state should *nullify* the federal laws, just as Colorado has nullified the federal ban on marijuana. Military power must be shifted downwards, with the local national guard at the state level replacing the federal services. Military pay must be handled entirely by local finance offices—no higher centralized organization is necessary. Little by little, we must continue until the federal government as a centralized power ceases to exist. Penultimately, we arrive back at the ideal of federalism, with a decentralized federation of totally autonomous and independent small/local governments.

The military ought to be totally decentralized through *devolution*, the handing over of federal government responsibilities to local governments. Everything should be taken down to the state level. Let all military members become members of the national guard of whatever state they reside in.

The financial aspects of the Department of Defense (DoD) can be handled in a similar fashion. Rather than centralized offices and a bureaucratic organization handling the pay of military members, let everything be handled by the member's local finance office. The Defense Finance and Account Service (DFAS) is inefficient because it is too centralized. The intention is always to move everything to one system. They overlook the fact that if this one system fails, then the entire mission fails. An example of such a failure is the Defense Travel System (DTS). DTS had a malfunction that caused thousands of payments to process out to incorrect accounts, as a result many service members had to wait months before receiving payments that they were entitled to. Another example would be an issue that occurred with Global Exchange Services (GEX), which caused millions-of-dollars-worth of payments to be sent to the wrong financial institution. Or consider the great length of time it takes to get a payment reissued if a Government Charge Card payment to Citibank is done incorrectly and must be returned: the process can take months, causing the service member to incur a debt and have his wages garnished in the meantime. This is another problem that is brought on by too much centralization. There is no reason that all of the charge cards must be with Citibank (the fact that they are all with Citibank is part of the reason that it takes so long to get the funds disbursed back out again), nor is there a reason that the local finance office should not be allowed to handle the collection of returned funds for a payment that *they* issued initially and must also reissue. The fact that the collection process is handled by a small centralized group causes the process to slow down. If all the water is draining out of a bucket from a tiny hole in the side, it could take hours; but if you flip the bucket over the water is disbursed instantly. If the process were handled by the local finance offices, they would have smaller workloads than the centralized offices and be able to get things done in a more timely fashion. A decentralized DoD would be much better for the service members in the military and for the taxpayers. The taxpayers would not have to pay for the cost of correcting

errors and mistakes made on a large scale (and the frequent losses of funds). Mistakes would only occur on a small scale and would be easier to fix.¹⁰ The service member would be able to go to his local finance office and speak to someone if he had a problem with his pay, whereas now he has to contact someone at DFAS and navigate through the channels in order to find the appropriate site and office to handle his particular issue. He will call in and be transferred to some customer service number in Ohio, then to another in Maine, and then to one in Indiana before he finds an individual that can actually answer his questions.

Legal issues could be handled this way too. There is no need to have law enforcement and courts at the federal level. Everything can be handled locally. The Supreme Court is a Papacy-type institution: it is the final court of appeals.¹¹ The judgment of the final court of appeals is ultimate and binding; it cannot be questioned or challenged. But why is the Supreme Court more likely to deliver justice than the local courts? The fact is that the Supreme Court often makes mistakes. Its mistakes are felt on a large scale. For example, in *Plessy vs. Ferguson* the Supreme Court ruled that forced racial segregation is perfectly constitutional and ought to be tolerated. The Supreme Court made this error in 1896 and it was not until 1954 that the mistake was corrected in *Brown vs. the Board of Education of Topeka*. Segregation was enforced throughout the United States for the span of over half a century because of the bad decision of a single court. If it had been handled at the local courts, then segregation might have persisted in this period, but it would have only persisted in certain areas. Other areas might have had courts that prohibited segregation. And the good decisions of those courts would have quickly convicted those who supported segregation of their error. Those who supported segregation would have seen men of different races living together in harmony in various other localities and realized that there was no reason to fear integration. There are brilliant men of all races who will make great contributions to society as philosophers, entrepreneurs, and inventors if they are given the freedom to interact with their peers. Segregation was detrimental to society because it did not allow brilliant entrepreneurs to work together if they were not of the same race. Men who lived in a segregated part of the nation would quickly realize the benefit of greater social cooperation and racial equality because they would see their neighbors benefiting from a lack of segregation. Those who supported segregation would necessarily dwindle in number.

We do not need the federal government to enforce the Constitution. If we cannot trust the states to be loyal to the Constitution, then how are we to trust the federal government to follow it? The more powerful of the two is bound to be the more corrupt. History has shown that the federal government does not do a good job of enforcing the Constitution. The Constitution says that only silver and gold are to be used as “legal tender” in the United States, but we have a fiat currency that is not backed by any precious metal.¹² The Constitution did not allow slavery or forced segregation, but the federal government did. The pseudo-federalist experiment in

¹⁰ It has been argued that the local finance personnel are generally incompetent and unreliable and that centralization is necessary as a result. However, DFAS personnel are equally incompetent in general. Furthermore, the ignorance of DoD finance personnel in general is the result of regulations being too complex and government systems being too archaic and outdated. There is no need to have “active duty” military at the federal level as something distinct from the local national guard. Additionally, there is no reason that a single and uniform set of regulations must apply to all military personnel in every state. Each state should be in absolute control of its own national guard, setting its own rules regarding military pay regulations, free to choose different regulations than other states, and free to use whatever systems it chooses for accounting and disbursing purposes.

¹¹ Cf. Adrian Fortescue, *The Early Papacy to the Synod of Chalcedon in 451*, Ch. 7

¹² *The Constitution of the United States*, Article 1, Section 10

centralized government failed. It is time for a decentralist approach. A devolutionary approach should be implemented, wherein the functions of the federal government are handed over to local governments until the federal government shrinks to nothing.

Voluntaryism

The second step is *voluntaryism* à la Auberon Herbert. After decentralizing government, radicals in each locality must push for *voluntaryism* or “voluntary government.”¹³ We must abolish taxation. Government must be funded entirely on a voluntary basis. Conscription into the military must be abolished. Additionally, free competition must be allowed.¹⁴ The government must not be allowed to maintain any monopoly by force of law. Competition must be allowed in all areas, especially in the production of defense and security services. Private arbitration services must be allowed to compete with government courts.

There is no necessity for the government to be as evil as it currently is. There is no need for government to raise money through theft or “taxation”. It could raise money by providing goods and services without coercion. For example, if one wants to invest in Social Security, the government can make that *optional*. They could charge a voluntary 7% “income tax” for Social Security, saving 5% of it to cover Social Security benefits and then keeping the other 2% as general revenue. And those benefits that men do not survive long enough to redeem could be kept by the government for other purposes. Government employees could raise money for the government through creative fundraising activities. The government might even be able to raise a considerable amount through charitable donations. The State does not currently receive many donations precisely because it steals wealth from men beforehand. Men feel no need to give to an institution that has already forcibly taken things from them. I might donate to a church; but if I find out that the church has been stealing money from me, then I will no longer feel inclined to donate. The same applies to the State. Funding through voluntary contributions is the ultimate check on government power. If something cannot be funded voluntarily, then it is probably something that ought not to be done.

Additionally, the government could get out of the money business altogether, allowing competing currencies to take over. We could easily move towards an absolutely voluntary military, with no possibility of a draft. A draft is never necessary. When the government must draft men

¹³ Anarcho-capitalists like to equate “voluntaryism” with market-anarchism. This is misleading. There is some common ground, but both Murray Rothbard and Auberon Herbert declared *voluntaryism* to be a non-anarchist philosophy. Auberon Herbert, the founder of *voluntaryism*, wrote: “VOLUNTARYIST BELIEVE IN GOVERNMENT... We believe the Anarchist ideal of no fixed and regularly organized machinery for repression of crime to be founded in mistake; and we are governmentalsists, in the sense that we believe that the common instrument for the repression of ordinary aggressive crime should rest upon the strongest part of the nation—that is upon the majority.... We ought not to direct our attacks,—as the anarchists do— *against all government*, against government in itself, as the national force-machine...”(Auberon Herbert, *The Principles of Voluntaryism and Free Life*) Voluntaryism, unlike anarchism, views government as a natural monopoly.

¹⁴ Cf. Auberon Herbert, *The Principles of Voluntaryism and Free Life*, where he says “that the State should compel no services and exact no payment by force, but should depend entirely upon voluntary services and voluntary payments” and “[t]hat it should be free to conduct many useful undertakings, in connection with education, sanitary matters, poor relief, insurance, post-office business, trade, inspection of buildings, machinery, etc., and many other matters, **but to do so in competition with all voluntary agencies, without employment of force, in dependence on voluntary payments, and acting with the consent of those concerned...**” (emphasis mine)

into the military, it is only an indication that the government is involved in an unjust war. If the war were just, then plenty of men would volunteer to fight for the cause. Men routinely risk their lives for just causes; this is why over 70% of American firefighters are volunteers.

Moreover, in this decentralized voluntaryist State, the government would allow free competition. Non-governmental courts, arbitration services, defense and security providers, money-creating banks, and road-maintenance clubs would be allowed to compete with the similar services provided by the government. People would be allowed to choose between purchasing these services from the government and purchasing them from competing organizations on the free market.

Anarchism

The destination is *anarchy*. The voluntaryist phase is a mere transition phase between minarchy and anarchy. Once the voluntaryist regime is put in place, the State will gradually “with away.” Competition will reduce the government to the position of being just another service provider on the free market. There will be no “*the*” government, no central power and authority.

Each service that is currently monopolized by the State will be provided by a variety of competitive organizations on a voluntary basis. No monopoly has ever been sustained for long under conditions of free/fair competition. All lasting monopolies have been created and sustained through force. If the voluntaryist regime is created, and alternative service-providers are allowed to compete with the government, then the government will soon lose its monopoly status and become just another service-provider among the various competitive options one will find in the marketplace.

Communism

Under anarchism, we should expect to see the revival and expansion of voluntary communistic arrangements. As David Graeber observed, we have a “communism of everyday life,” whereby families and friends share food, housing, etc. on a communistic basis. Even today, communism is a very real and necessary aspect of our society. And we should expect to see the sphere of voluntary communism expand in the absence of the State.

The area of communistic arrangements was larger prior to the rise of modern States and government-backed money as a measure of accounting. Arrangements under primitive conditions centered on non-monetary/non-barter/non-market transactions in local communities. The *gift-economy* was the normal arrangement. Rather than selling shoes, the shoemaker would give shoes to trusted members of his local community (barter and trade were reserved for outsiders and strangers). There was an implicit, informal obligation for that person to “return the favor” in the future, whenever the shoemaker was in need of a good or service that he could provide. With the abolition of the State, the gift-economy might be revived as a regular economic phenomenon.

Under free/fair competition on the free market, in the absence of government intervention, prices will be kept as low as possible. Competition has a tendency to force prices down. As each producer tries to compete for your business, he lowers prices in order to “undercut the competition.” As a result, under pure competition, prices will tend to gravitate towards the cost of production. This phenomenon was central to the ideas of Benjamin Tucker and Josiah Warren,

who held to the “*cost principle*”—*that price should be determined almost exclusively by the cost of production*. Prices would be greatly reduced under free-market conditions.

As Kevin A. Carson observed, in *The Free Market as Full Communism*, under free-market conditions producers will need to remain highly competitive. The producers will constantly be striving to reduce the cost of production in order to “undercut the competition” with reduced prices.

Competitive producers will seek out the most efficient—productive, yet cheap—ways to produce their products. As a result, many things will become so cheap that the cost of accounting will exceed the exchange value. The application of permaculture principles and new technology to agriculture will lead us into a post-scarcity society where the majority of food will probably be grown in community gardens, or in farms on the commons, or in the back yards of individuals.

The necessities of life will not cost anything in terms of money because their price will be so low that it cannot be measured in monetary units. The sphere of the market would shrink, as the necessities would all be provided by non-monetary/non-barter/non-market arrangements, and voluntary communistic arrangements would become more common. As a result, we would see something like the anarchist communism of Peter Kropotkin and Alexander Berkman develop naturally and spontaneously. Nevertheless, we should expect the market to be preserved as a distribution mechanism for luxury items.

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