

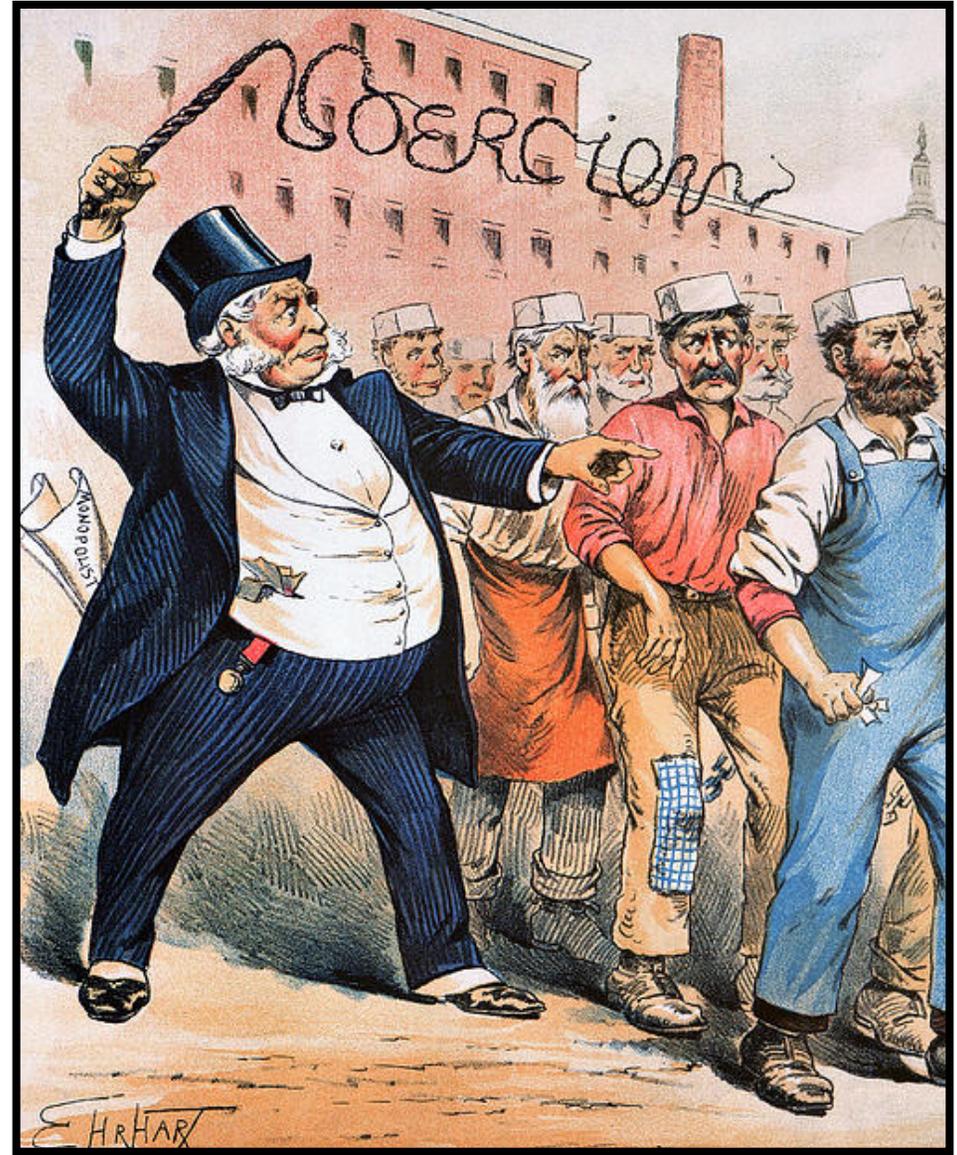
ANARCHO-CAPITALISM IS IMPOSSIBLE

*UNDER ANARCHISM, MASS
ACCUMULATION AND CONCENTRATION
OF CAPITAL IS IMPOSSIBLE.*

*WITHOUT CONCENTRATION OF CAPITAL,
WAGE SLAVERY IS IMPOSSIBLE.*

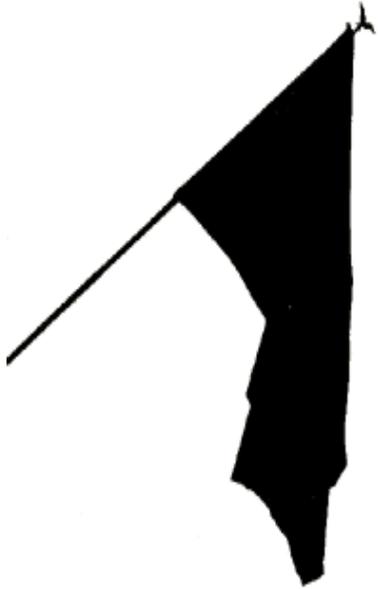
*WITHOUT WAGE SLAVERY, THERE'S
NOTHING MOST PEOPLE WOULD
RECOGNIZE AS "CAPITALISM".*

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ANNA MORGENSTERN

MARKET ANARCHY



. . . what we always meant by socialism wasn't something you forced on people, it was people organizing themselves as they pleased into co-ops, collectives, communes, unions. . . . And if socialism really is better, more efficient than capitalism, then it can bloody well **compete** with capitalism. So we decided, forget all the statist shit and the violence: the best place for socialism is the closest to a free market you can get!

Market anarchists believe in market exchange, not economic privilege. We believe in free markets, not capitalism. We are *anarchists* because we believe in a fully free, consensual society — order achieved not through political government, but free agreements and voluntary cooperation on a basis of equality. We are *market* anarchists because we recognize free market exchange, characterized by individual ownership, voluntary contracts, free competition, and

entrepreneurial experimentation, as a medium for peacefully anarchic social order. But the markets we envision are nothing like the privilege-riddled markets we see around us under government and capitalism.

Mutualists believe that most present inequalities come not from the results of market forces but from the perversion of these forces. A market is, after all, only a system of voluntary exchange. The state has stepped in and granted preferential treatment to certain individuals and groups. This created the vast inequalities that we see. Even if the market were to give rise to certain problems, these could be offset by voluntary associations such as guilds, trade unions, community groups and co-operatives.

Agorism is revolutionary market anarchism. In a market anarchist society, the positive functions of law and security will be provided by market institutions, not political institutions. Agorists recognize, therefore, that those institutions cannot develop through political reform. Instead, they will come about as a result of market processes. As government is banditry, revolution culminates in the suppression of government by market providers of security and law. Market demand for such service providers is what will lead to their emergence. Development of that demand will come from economic growth in the sector of the economy that explicitly shuns state involvement (and therefore can not turn to the state in its role as monopoly provider of security and law). That sector of the economy is the counter-economy – black and grey markets.

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Anarcho-‘Capitalism’ is Impossible.

Three Theses on Laissez-Faire Socialism

* * *

MANY ANARCHISTS OF VARIOUS stripes have made the claim that anarcho-capitalists aren't really anarchists because anarchism entails anti-capitalism. I happen to think this is actually backwards. If they genuinely wish to eliminate the state, they are anarchists, but they aren't really capitalists, no matter how much they want to claim they are.



Anna O. Morgenstern

People calling themselves “anarcho-capitalists” usually want to define “capitalism” as the same thing as a free market, and “socialism” as state intervention against such. But what then is a free market? If you mean simply all voluntary transactions that occur without state interference, then it's a circular and redundant definition. In that case, all anarchists are “anarcho-capitalists,” even the most die-hard anarcho-syndicalist.

Defining capitalism as a system of private property is equally problematic, because where would you draw the line between private and public? Under a state, state property is considered “public” but as an anarchist, you know that's a sham. It's private property owned by a group that calls themselves the State. Whether something is owned by 10 people or 10 million doesn't make it more or less “private”.

Going a bit deeper, there may be issues about how property rights are defined, and the nature of ownership between different sorts of anarchists. Obviously, anarcho-capitalists do not want the government to decide who owns what property. So even at their hardest of hard-core propertarianism, they are still effectively anarchists; they just have a different idea of how an anarchist society will organize itself.

But the focus on goals, I think, is very much over-emphasized in anarchist communities, at the expense of looking at means. Goals sometimes lead people toward certain means, but it is the means that determine results, not

the goals. And if the anarcho-capitalists follow anarchist means, the results will be anarchy, not some impossible “anarcho-capitalism”.

Anarchy does not mean social utopia, it means a society where there is no privileged authority. There will still be social evils to be dealt with under anarchy. But anarchy is an important step toward fighting those evils without giving birth to all new ones.

My take on the impossibility of anarcho-capitalism is simply as follows:

- Under anarchism, mass accumulation and concentration of capital is impossible.
- Without concentration of capital, wage slavery is impossible.
- Without wage slavery, there’s nothing most people would recognize as “capitalism”.

The first part of this, that mass accumulation and concentration of capital is impossible under anarchism, has several aspects.

One big one is that the cost of protecting property rises dramatically as the amount of property owned increases, without a state. This is something that rarely gets examined by libertarians, but it’s crucial.

One reason for this is that large scale property ownership is never all geographically massed. A billionaire doesn’t have all his property in one small geographic area. In fact, this sort of absentee-ownership is necessary to become a billionaire in the first place. Most super-wealthy own stock in large corporations that have many factories, retail outlets, offices and the like all over the place. Leaving aside whether joint-stock companies are even likely in anarchy for now, this geographical dispersion means that the cost of protecting all of this property is enormous. Not only because of the sheer number of guardians necessary, but because one must pay those guardians enough that they don’t just decide to take over the local outlet. You could hire guardians to watch the guardians, but that in itself becomes a new problem...

But the property needs to be protected not only from domestic trespassers, but from foreign invasion as well. Let us imagine that an anarcho-capitalist society does manage to form, Ancapistan, if we will. Next to Ancapistan is a statist capitalist nation, let us call it Aynrandia. Well, the Aynrandians decide “hmm, Ancapistan lacks a state to protect its citizens.

This booklet was prepared by **Charles Johnson** of the **Alliance of the Libertarian Left**, and first issued in March 2014.

The text is based on the articles “Anarcho-Capitalism Is Impossible” (19 Sep 2010), “Market Anarchism Vs. Market Statism” (25 Sep 2010) and “Anarchism and Capitalism: A Revisitation” (3 Feb 2014), which appeared as Featured Articles at the the Center for a Stateless Society online archives at c4ss.org/content/author/ineffabelle

The booklet was laid out and typeset entirely using free software – **OpenOffice.org Writer** running on top of **Ubuntu GNU/Linux**. Most text is set in **Liberation Serif** and **Liberation Sans**, two open typefaces released under the GNU Public License and commonly used in open-source systems.

stealth, exile and cunning. We must find each other and trade outside the law, as much as possible. And to the extent that their “economy” grows unstable, ours will grow stronger. We shall prevail because market anarchism is better for 90% of the population than market statism.

ANNA O. MORGENSTERN (2010)



We should take over and give them one, for their own good of course.” At this point the billionaires in Ancapistan must either capitulate, welcome the Aynrandians, and Ancapistan is no more, or they must raise a private army to repel the Aynrandians. Not only will the second option be ridiculously expensive, for the reasons I’ve outlined above, but a lot of property will get destroyed if the Aynrandians decide to engage in modern total warfare. Ahh but what about all the middle class people in Ancapistan, won’t they form a militia to defend themselves? Well yes, but they won’t form a militia to defend a bunch of billionaires’ property.

The anarcho-capitalists often have a nonsensical rosy picture of the boss-worker relationship that has no basis in reality. Almost no one wakes up and goes in to work thinking “thank the heavens for my wonderful boss, who was kind enough to employ a loser like me.” When external invasion arrives, the middle classes will defend themselves and their own property. But they’re not going to risk their lives for Wal-mart without getting a piece of the action.

So, due to the rising cost of protecting property, there comes a threshold level, where accumulating more capital becomes economically inefficient, simply in terms of guarding the property. Police and military protection is the biggest subsidy that the State gives to the rich. In some sense the Objectivists are correct that capitalism requires a government to protect private property.

Furthermore, without a state-protected banking/financial system, ac-

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cumulating endless high profits is well nigh impossible. The police / military state helps keep the rich rich, but it is the financial system that helped them get rich in the first place, at everyone else's expense.

First off, state-chartered banking creates a limited supply of sources from which one can receive banking services. This cartelization allows them to get away with a fairly large amount of fractional-reserve banking, in which more is loaned out than actually exists. By increasing the in-use money supply in a one-sided manner, this creates a situation where the people who take out loans are effectively stealing from everyone else. Companies that finance expansion force their competitors to do so or fail, by bidding up the price of resources. By raising the cost of entry, this limits and reduces the amount of competitors in every industry, driving wages down.

And the current fiat money / central banking regime, by constantly inflating the money supply, destroys the ability of people to save, thus forcing them to borrow in order to start or expand a business, to buy a home or a car. It literally and directly concentrates the supply of capital in the hands of a smaller and smaller group of people, destroying savings and feeding effective purchasing power to those with higher credit ratings. This drives down wages and makes people dependent on those who still have large amounts of capital to hire them.

Under anarchy, anyone could lend money to anyone, there would be no special thing known as a "bank" per se (or to put it a different way, anyone could put up a shingle that said "bank"). Without legal tender and the ability to create large amounts of money out of thin air (the threat of "bank runs"

Without a state-protected banking / financial system, accumulating endless high profits is well nigh impossible. Under anarchy, the money supply would no longer be in the hands of a cartel. As the price of capital is diluted, the share of production that goes to the workers increases. What is likely is that something like a private syndicalism would arise.

One of the things that the bankers and money masters have been doing since forever is trying to rob people of their savings and discourage saving in general. One reason is that this makes people more dependent on steady income, disciplining workers. Another is that it destroys any capital accumulation outside of the class of insiders ("the economy"). If you need to capitalize your business you have to go to a limited group of people with nearly unlimited power to give out money. And the price of capital is kept artificially high. Right now, the old cliché goes, 1 in 10 businesses that start, survive. The main reason given for the failure of the 9 out of 10 is "cash flow." If your business is operating paycheck to paycheck, you are utterly dependent on the money masters, if something unexpected happens.

But also, we must consider who gets the majority of loans. Of course there are collateralized loans. Those drive up the price of land and transportation, which is only good for those who run the roads and own the vast tracts of land. But outside of those, most loans are made to large businesses to help them expand and compete against other businesses. Banks generally aren't in business to lose money. They know how the game works. Every time a bank makes a loan with money it doesn't have, they are stealing from everyone else. The people who first get that money are also stealing from everyone, just a little less. And so on. . . somewhere down the chain of spending the situation inverts, where prices have already gone up before you got any of that new money. You're the loser in that scenario. Of course this provides an incentive to borrow, driving up the cost of borrowing. We can view the banking system as a giant wealth vacuum, and those who are closest to the vacuum bag get the best outcome. This creates a much more unequal society than we would have under free banking, where such a one-sided wealth vacuum would be impossible.

It helps if you realize that in a fiat money scenario, the total amount of money in circulation = the total value of goods and services. So your wealth is not a matter of an absolute number of dollars, but how many dollars you have in comparison to the whole.

So to say that we live in a "free market" society is an absolute affront to the idea of freedom. We do have markets, of a kind. Such markets being utterly manipulated by the state and "the economy" to their own benefit. But we do have a way to fight back. We can make real free markets, but only outside the state. We can do so by building our own shadow economy, an economy for everyone, not just the politically favored. This requires

laws that people really have little or no opportunity to influence, but local corruption only gets mentioned when the politicians cross the wrong local businessman.

A study came out that noticed that every industry has basically 3–4 major players, and everyone else is marginal, having little impact on overall supply. However given the above example you can see why. There’s no reason to believe that the pattern would be so oligopolistic in a free market, knowing that basically, the state is constantly acting to shrink the number of firms in the market, and in fact, to shrink markets for the benefit of the 3–4 major players. Of course another side benefit is that this increases unemployment in every industry, driving wages down and increasing the power that employers have over employees. This points to the weakness of Neoclassical or Keynesian economics. The effect of the state cannot be “factored out” in looking at the economy, statistically. It distorts all supply curves, and almost all demand curves. When an economist from this school talks about “the economy” as a noun, they basically mean these top firms from every industry. The impact of labor as producers can largely be factored out these days, thanks to that persistent unemployment. As consumers, we have an effect, which is why whenever academic “economists” talk about the people at large, it is in our role as consumers and how that affects “the economy”. In their view, when we consumers save, we hurt “the economy”, but when we spend, especially if we go into debt to do so, we help “the economy”. It’s like we’re being held hostage at this point. Our interest as producers (which is to spend, because most of us are working for “the economy”) is in conflict with our interest as consumers (which is to save).

Now of course our current financial model has something to do with all of this as well. If there is one aspect of the economy which is thoroughly fascistic through and through, in a way that we can all agree on (except “the economy” and their pet “economists”), it’s the current financial / banking system. “How’s that so-called democracy working out for you guys? Awesome.” This has been going on for a while actually, even though it’s become more deep and blatant since the establishment of worldwide fiat currency and central banking in the World War eras. A good book to read to get the history of it is Rothbard’s “A History of Money and Banking In The United States.”† Even if you’re not down with Rothbard on the whole, this was a master work.

† mises.org/document/1022/

and / or devaluation of bank notes would effectively limit this to a very small level, enough to minimally pay for itself at most), the money supply would no longer be in the hands of a cartel. Borrowing would become rare, and saving would become widespread, distributing capital more and more widely, rather than more and more narrowly, thus diluting the price of capital. Under such a system, any shift in demand would be met by a vast array of competitors, driving profits back down to the average.

Obviously, under anarchism, such a thing as “intellectual property” wouldn’t exist, so any business model that relies on patents and copyrights to make money would not exist either. This would contribute to the dilution I mentioned above.

As the price of capital is diluted, the share of production that goes to the workers increases. What we would eventually see is essentially, a permanent global labor shortage. Companies would compete for workers, rather than the other way around.

What is likely, judging from history, is that something like a private syndicalism would arise, where owners of value-producing property would lease it out to organizations of workers, simply because it would be easier for them than trying to hire people on a semi-permanent basis.

Mining was organized like this for quite a while, for instance, until the advent of bank-financed joint stock mining companies, which bought out most of the prospector / owners in the 1800s.

So we see, even assuming an “anarcho-capitalist” property regime, anything recognizable as “capitalism” to anyone else could not exist. In fact the society would look a lot like what “anarcho-socialists” think of as “socialism.” Not exactly like it, but much closer than anything they’d imagine as capitalism.

However, under anarchism, even such a strict property regime is not guaranteed. There is no way to impose it on a community that wants to operate a different way. I predict there will be lots of different communities and systems that will compete for people to live in them and whatever seems to work the best will tend to spread. There’s nothing the anarcho-capitalists could do to prevent people from agreeing to treat property in a more fluid or communal manner than they’d prefer. Nor is there anything the anarcho-socialists could do to prevent a community from organizing property in a more rigid or indiv-

idualistic manner than they'd prefer.

For, just as anarcho-capitalism is impossible, anarcho-socialism is also impossible, depending on how you define things. In reality all of us who are opposed to the state, as that great fiction that some people have a special right to do things that anyone else doesn't, are anarchists, and what will happen under anarchy? **EVERYTHING.**

ANNA O. MORGENSTERN (2010)

As for the direction these laws tend to go in, well let's look at a hypothetical example. Let's say there's a certain market for widgets. The biggest widget manufacturer, A Corp, has 25% of the market. The next biggest, B Corp, has 15%. C Corp has 10%. Below that about 100 other firms share the other 50%. Now even this is much more oligopolistic than a real free market would be, I M O, but for the sake of simplicity and being fair to the other side we'll go with it. Now the government proposes a regulation that will make widget manufacturing more expensive and difficult. Well, A Corp's economists and accountants will sit down and run a cost-benefit analysis, comparing the extra expense of complying with the regulation against the extra market share they will gain after a certain number of firms get knocked out of the market because they can't absorb the cost. Included in this is the possibility of passing the cost onto the consumer and shrinking the market. If A Corp ends up with 50% of a market that's 10% smaller, they still win. If they come out ahead, they'll call up Senator X and say "we will support this legislation", if not, then they say "we will oppose this legislation tooth and nail." Now, let's say the bean counters say "well, we come out 5% ahead if it's written like X, but if you add clause Y, we'd come out 10% ahead." Well then they will call up Senator X and say "if you introduce this amendment, we'll support the bill, but if you don't, we'll oppose it". What do you think is going to happen?

Now, if all of these corporations are traded on the stock market, just proposing the legislation publicly is going to impact them. Some investors are going to guess that the legislation will pass, and will sell their stock in Corp B and C and buy A. A certain number of the smaller firms will have their stock price discounted effectively to 0 and be forced to drop out of the market even before the law is voted on. Perhaps their assets will be bought up by Corps A, B and C if they're lucky. So now, if A, B and C maybe get together and hash out a different version of that proposed law that works well for all of them, they can all support it together. And there you have it.

This mechanism goes on at every level of government, local, state and federal. In fact it's often more pernicious and corrupt at the lower levels, because it's much easier to influence the politicians at that level. On the other hand it's much easier for the citizens to get together and block laws at the lower levels too, but that's why there's so much effort by the ruling class to brainwash people and get them to look the other way and keep their heads down. The news media will make a big deal about state and federal

But the reality is much worse. These guys build parks wherever they want, their only limitation being their budget (which is where the market minimally forces a limit on statism) and the remote possibility of angering the public enough to get fired.

In some ways, the will of the people through elections does affect the government, but they do everything in their power to thwart that — not to mention that it's a highly inefficient expression of the popular will. Demand curves on the other hand are a much better expression of the popular will. In some ways, a real free market is the ultimate in democracy. What the people want, they will get.

But hey, everyone likes parks, right? Well, sure, if they don't have to sacrifice anything else for them. If people really wanted a park somewhere, they could definitely make it happen under anarchism. Just buy the land, and make a park. If you needed to charge admission to recoup the costs, well, if people really want the park, they'll be happy to pay. But statist parks on the other hand, take land willy-nilly that could have been used for other things, and in fact, should have been. People wanted something else than a park there, or there would already be one there. And the cost is paid by everyone, even people who don't like parks, or have no access to the park. And of course, the park closes when the government says it does, and has only the amenities that the government wants to put in there. People like soccer, but the parks commissioner likes baseball? Baseball field.

But it gets even worse. All the money that was used to build and maintain the park is taking money away from other things that people would have spent it on. And it drives up the cost of land in the area, the cost of sod, and the cost of everything else that money is spent on. It distorts the pricing signals of everything related to parks. . . this ripples through the rest of the economy. This goes on in every city in the world. Of course it's not just parks, it is roads, bridges, dams, etc. People change their behavioral patterns around this "infrastructure." For instance, I live in a pocket ghetto created by an intersection of two major government roads. All around me are tire shops, car washes, auto parts stores, etc. Those stores wouldn't have been built if not for the government roads. But then again, none of this would have, it would have all been different in a free market. It is precisely these "little things" that get taken for granted, like roads and zoning laws and permits and licenses that have the most impact on the economy.

Anarchism & Capitalism: *A Revisitation.*

* * *

RECENTLY, A REBUTTAL OF MY PREVIOUS ARTICLE "ANARCHO-CAPITALISM Is Impossible" was brought to my attention.[†] The author, Christopher Cantwell, made some points that are worth addressing and my own thoughts on the matter have shifted somewhat over time. Therefore, I think it would be worth revisiting the topic with fresh eyes.

In his introductory paragraphs, he defines "the left" as being basically anti-propertarian, and socialism as the state ownership of property. Anti-propertarian in this case would mean against anyone but the state owning property. Under these definitions, there's no such thing for sure as left-libertarianism or anarcho-socialism. Socialism is a pretty nebulous word, in fact, so is the concept of being "left" as opposed to "right" wing. Capitalism is equally nebulous, and yet has a concrete historical instance. One of the concepts I was trying to lay out in my original essay was that if one judged "capitalism" by its concrete history, and not its various theoretical definitions, then "anarcho-capitalists" were certainly anarchists, but certainly not "capitalists" because the changes they would make in society would make the historical appearance of "capitalism" impossible. This is in opposition to what anarcho-socialists usually claim which is that ancaps are capitalists, but not anarchists. This confusion arises I believe because of conflation problems (commonly known as the "zaxlebax" problem, after a thought exercise in an essay by Roderick Long: "Left and Right, 40 Years Later").[‡] Basically, what is being conflated in people's minds is the free market and the historical, actual economy we think of as "capitalism". This conflation, I believe, is a mistake.

[†] christophercantwell.com/2014/01/29/left-anarchism-is-impossible/

[‡] "Suppose I were to invent a new word, 'zaxlebax,' and define it as 'a metallic sphere, like the Washington Monument.' . . . In short, I build my ill-chosen example into the definition. Now some linguistic subgroup *might* start using the term 'zaxlebax' as though it just meant 'metallic sphere,' or as though it just meant 'something of the same kind as the Washington Monument.' And that's fine. But my definition incorporates both, and thus conceals the false assumption that the Washington Monument is a metallic sphere; any attempt to use the term 'zaxlebax,' meaning what I mean by it, involves the user in this false assumption. . . . Now I think the word 'capitalism,' if used with the meaning most people give it, is a package-deal term. By 'capitalism,' most people mean neither the free market *simpliciter* nor the prevailing neomercantilist system *simpliciter*. Rather, what most people mean by 'capitalism' is *this free-market system that currently prevails in the western world*. In short, the term 'capitalism' as generally used conceals an assumption that the prevailing system is a free market. . . ." — Roderick Long, "Rothbard's 'Left and Right: 40 Years Later'" (2006). mises.org/daily/2099

Cantwell makes two major points against my original essay that I think are fair criticisms. The first is that I wrote that “*Under anarchism, mass accumulation and concentration of capital is impossible.*” Cantwell argues that accumulation of capital will go on even more so than under our current system. I happen to currently agree, but in a way that will make heavy concentrations of capital unlikely or in fact impossible. I did not distinguish between *capital accumulation* and *capital concentration* properly, and it’s fair to attack my statement on the accumulation side. My apologies, I was wrong to conflate the two concepts as I did. Secondly, and sort of relatedly, in my essay I claimed that the protection of large concentrations of capital would (at some level) become prohibitively expensive, to the point where it became basically a losing proposition. He knocks that point down fairly well I think. I do think that “raids” will make widespread absentee property ownership extremely difficult to defend without great expense, but not necessarily impossible. And over time, if I am right about the overall wealth level in society rising, then this aspect of things will die out anyway.

This brings me to the “revisitation” part of my essay. The main distinguishing “negative” features of “capitalism” as seen by the left are related to the tyranny of the boss over the worker and the tyranny of commerce over impoverished consumers. Both of these root problems are actually related to a *scarcity of capital* in relation to either labor, or in relation to effective demand. If you go into a wealthy community, the problems of “alienation” and reduction of relations to the “cash nexus” don’t exist between wealthy people. Or at least not so you’d notice it. I happen to have good reason to believe that this scarcity of capital is created by the state. The current owners of capital don’t want capital to expand willy nilly, because that dilutes the relative power and value of the capital they possess. If you had a means of making, let’s say smartphones, at a very low marginal cost, and for an average-good quality, you would not want other people to also have this means, in fact the less people that had the means to produce those phones the better off you would be. But wouldn’t the owners of capital want everyone else’s goods to be non-scarce? Well, sometimes, but not always, and plus it’s just not that important to them. When you reach a certain level of wealth, it’s not about *affording* consumer goods anymore. Everything is relatively inexpensive for you, so what’s more important than having cheaper yachts is making sure that you stay on top, and if that means you have to pay 30% more for your yacht, that’s fine. In addition note that it’s practically a cliché that at that level of wealth, good-exclusivity (“This

Market Anarchism vs. Market Statism.

A Revisitation.

* * *

THE DIFFERENCE BETWEEN MARKET ANARCHISM AND MARKET STATISM is profound and far-reaching. Very often, those of a conservative bent like to think of our current society as a free-market economy, with perhaps, a few distortions introduced by the government. Get rid of those and we’d be quite alright. Of course they think that because they’re doing kind of alright now, despite those pesky little taxes, and the occasional annoying regulation.

This is in part because by and large the laws were written by people like them, for people like them, so they seem largely invisible to them. The myriad of hidden costs and barriers to free action don’t really touch them enough to be noticeable. It’s more of a bee-sting than an alligator bite. Wealthy “liberals” think much the same way, only they figure “going from a bee-sting to a hornet-sting is worth it to secure the economy further in a direction we’d like it to go.” This direction is usually more corporatist and authoritarian than they’d normally admit, but hey they’ll set up a nice welfare camp for the people their policies impoverished in the first place. And thus is our political discussion restrained by the skewed view of the ruling class.

The reality from the ground floor is quite different, and alas, often leads to a different sort of skewed view. The truth is, our entire economy is statist, with the market elements distorted all the way through it. The way markets work, every action is dependent on every other action, all demand curves and supply curves interact somewhere. . . think of how ripples in a pond create interference waves when they meet. Rightists often talk about how markets adapt to the state, implying that markets overcome the state. But this is not so. Markets adapt to the state, but the state does not adapt to markets, except in a minimal way when absolutely forced to.

In every city there is a “parks and recreation department” for example. This department exists for a reason. It’s not like the P & R commissioner just sits around watching porn and drinking all day on the taxpayers’ dime — well actually it often is like that, but his staff doesn’t — or at least they don’t all do that, all the time. In fact a government where no one did any “work” would work out much better for most of us. We could treat that sort of government as a sort of permanent natural disaster, a simple cost of survival.

is a genuine Able-Dable bag made by hand by Mr. Able-Dable himself”) is more important than expense. These factors are related. Good-exclusivity is a sign that you are at a level of wealth where you prefer absolute scarcity of capital to absolute abundance, because your relative level of abundance is so high. You’re trading a slight percentage increase in consumer spending to get power over the market. It is exactly this power over the market which becomes impossible under anarchism.

The means by which the state acts to prevent the overall stock of capital from growing too quickly and / or from spreading too widely are too numerous to mention in one short essay. But some of the main ones are War, Chartered Banking and Licensing. War is pretty obviously not always just a grab for land and people, but a destruction of resources. War and chartered banking go hand in hand to drain the overall level of capital through deficit spending. Almost no nation ever pays for a war through direct taxation. On that note let’s look at the so-called “progressive income tax.” It’s really not that progressive when you take everything into account. It may be possible that for the ultra-wealthy, the gains they make from preventing competition and thus driving wages down is more than they lose from taxation. Licensing and permits are an obvious way that the state keeps too many “newcomers” from getting into the game, and furthermore makes it difficult for the smaller fish to get too big.

Under an anarchist economy, the overall level of capital in the society will grow enormously, especially at first. And most of these gains (in the aggregate) will not go toward those who already possess large amounts of capital, because the state has not been restricting them as much to begin with. Wage gains furthermore will tend to accelerate fastest for those who are paid less. A person with very specialized, advanced skills is already getting paid quite a bit right now. The companies who are let us say, not-under-capitalized right now are already making the highest use of these sorts of people that they can. The new jobs created by the massive explosion of capital will not be, by and large, competing for these sort of people as much. Their wages will rise, but not as quickly as for someone who is a bit less skilled and / or specialized. Furthermore, there will be an enormous explosion of production which will drive down prices, effectively multiplying everyone’s wealth level. At some point, the alienation of work and tyranny of the boss disappears. This is because when someone is no longer materially insecure, they cannot be threatened so easily.

If the workers at your shop each have 2 years worth of disposable income in the bank, they aren't going to respond to the stick anymore. This will create a new equilibrium of course, as productivity slows, and wages rise, profit slows and the *rate of acceleration* of capital growth slows. But overall one is left with an economy where everything must be run with carrots. Furthermore the opportunity cost for anyone to pursue their own peculiar interests will become no longer prohibitive. Some of this will simply create a happy playful social atmosphere, and some of it will lead to new avenues of production for those who find that their interests are shared by enough people, and can find a way to make it profitable. Either way the salient features of what the social critic imagines when they see the word "capitalism" will no longer apply to such a society. Gone will be the rush hour, the asshole boss, the fear of losing your entire life because you weren't servile enough, the daily "grind", crushing bills to pay, overtime, the fear of your neighbors because they are even more desperate than you are.

Cantwell's counter-essay is interesting because it touches on or even agrees with some of this analysis but then sort of drops away and turns on it at the same time. What I find among some of the more "right" or "plumb-line" libertarians, if they're at least somewhat intelligent, is that on one hand, they seem to understand or agree that the state has impoverished the poor and middle class beyond all reckoning, but on the other hand they don't see that this is the only thing keeping the current relation of employees to employers the way it is. They see how the financial system and regulatory sieve favor some over others, but they don't see that this is exactly the point. To some extent it's because they've made the same conflation of the free market and our "capitalist" society that the mainstream left and right have, and to some extent I think it's because they take the liberal / progressive wing at their own words. They really do think that the state wants to level everyone out and protect the poor and downtrodden, and that somehow our current levels of poverty and inequality are despite the state's best, albeit stupid, efforts.

To the extent that the state gives anything to the poor it is only because they don't want mass starvation and revolution (now that they've broken the legs, they feel like it would be wise to offer crutches). And the wealthy in our current system are not rough and ready individualists who are being held back by the state. (All of *those* guys are bitter and have no money because the state already crushed them. I kid, I kid.) I believe it is this

misunderstanding of the actual situation that leads anarcho-'capitalists' to call themselves that, and to sympathize on occasion with the very forces that are feeding and encouraging the state they hate so much.

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