



Written by [Beverly K. Eakman](#) on September 8, 2011

## Candidates Cluelessly Pitch “Free-market Socialism”

Because “socialism,” per se, carries negative connotations for most Americans — most younger voters don’t know exactly what it means anyway — it’s fairly easy to deceive the public into believing a candidate stands for free-market principles, as in the Founders’ vision, and still accept a welfare state, complete with bailouts, federal control of production, and government-created jobs, using the private sector only as proxies (contract entities).



The term “free-market socialism” was first bandied about on American college campuses in the 1960s by political science professors capitalizing on leftist-generated student rebellions. Purportedly, it combined a functional system of entitlements with a highly regulated (and therefore “fair”) free-market. Few '60s-era collegiates had any notion where the term originated, and had no intention of looking it up. But voters today clearly recognize that our nation is moving toward a European-socialist model, even if no candidate would dare say so.

It will surprise most people to learn that the expression “free-market socialism” originated as [Mutualist Anarchism](#), masterminded by [Kevin Carson](#). Carson, still active, coined the pejorative term “vulgar libertarianism” to describe the use of free-market rhetoric in defense of “disreputable” corporate capitalism and so-called “economic inequality.” In Carson’s view, economic inequality is an economic disorder manifested by “increasingly apologetic and ... strenuous attempts to talk out of existence the ideas which contain contradictions [in real economic life].” This concept echoes Karl Marx, [whom Carson admired.](#)”

Because U.S. public-school students have had no grasp of history for some 45 years, most candidates don’t know the origins of “capitalism,” “socialism,” or “Marxism,” much less “free-market socialism” or “Mutualist Anarchism.” That leaves conservatives at something of a loss when it comes to debating the Left (or, for that matter, liberal Republicans) on issues related to creeping collectivism, as well as the dangers of anarchy (masking as individualism) coupled to a hyper-regulatory, unionized bureaucracy.

*Mutualism*, in the political sense (there’s also a biological definition, but it’s irrelevant here) incorporates an [anarchist school of thought](#) that originated with the writings of French philosopher/socialist [Pierre-Joseph Proudhon](#) around 1849. He envisioned a society where each person might possess the means of production (i.e., physical, non-human inputs like factories, machines, and other tools used to produce wealth — along with both infrastructural and monetary capital). Individuals



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would then have a trade capability representing equivalent amounts of labor in a free market.

A “free market,” as the term used by Proudhon, was an economy free of state intervention. But in practice, the term was also used in connection with markets that provided for minimal state intervention and regulation — i.e., tax collection and enforcement of private ownership and contracts. But it basically relied on supply and demand. Proudhon’s Mutualist scheme, however, held that when labor or its products are “sold,” in exchange only, they ought to receive goods or services for “the amount of labor necessary to produce an article of exactly similar and equal utility” — reminiscent of today’s expression “equality of outcomes.” Receiving anything less was considered by Proudhon to be exploitation, [theft of labor, even usury](#).

After Proudhon’s death, most Mutualists allowed that unless the State intervened, increasing competition within the marketplace would result in payment in proportion to the amount of labor they exerted, which presumably was too low; therefore, some Mutualists reconsidered a limited State intervention, and some didn’t.

Enter “philosophical anarchism”: This theory contends that the State, per se, lacks any moral legitimacy; that there is no individual obligation or duty to obey the State, and that the State has no right to command.

Which brings up the question of how anarchism, as Americans understand the term, could possibly be combined with socialism. Good question.

Philosophical anarchists tend to accept the existence of the State as a “necessary evil,” but argue that citizens still do not have any moral obligation to obey when its laws conflict with [individual autonomy](#). This view dovetails with “[values clarification](#),” brought in during 1970s to U.S. classrooms to discourage adults from transmitting “good” values (a.k.a. “conventional morality”). Instead, “values clarification” posited a collective approach called a “peer valuing process” — supposedly to “empower” even the youngest children by utilizing group consensus to decide how to react to events. Predictably, this view, in application, unleashed a torrent of social pathologies, the likes of which had never been seen in U.S. history.

It turns out that the watershed text on the subject, *Values Clarification — A Handbook of Practical Strategies for Teachers and Students*, although authored by modern psychologists, was conceived by William Godwin (1756-1836), the radical, British founder of “philosophical anarchism.” In professional circles, he is considered to have been the first to [articulate modern anarchist thought](#), a philosophy that requires individuals to act in accordance with their own judgments and to allow every other individual the same liberty. This sounds rather like libertarianism — until one reads further. The zinger is that Godwin insisted there is no moral expectation even to recognize others while deciding what is right for oneself — in other words, no necessity for peer consensus.

So, the conflicting messages of values clarification dog us into the present day. On the one hand, the lone school shooter (or, at most, two or three conspirators) decide what is right for themselves without any need to take others into account. On the other hand, the group-think embedded in society’s thinking from childhood demands that only the collective (consensus) is important, that one’s personal principles and judgments are expendable. These contradictory teachings set up a condition known by professionals as “cognitive dissonance” — the necessity of accepting two opposing beliefs simultaneously — something most youngsters cannot handle at all, and even adults handle poorly.

The slogan “do what’s right for you” is a familiar fixture in commercial ads. But now it’s being extended



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to economic imperatives, unrecognized by our nation's clueless political candidates. When that fails, as it always does, the State is called upon to pick up the pieces, which explains today's government's usurpations. The excuse may be an "exploitive" economy, spearheaded by Ponzi schemers like [Bernie Madoff](#), investment fraudsters like Enron's [Jeffrey Skilling](#) and the late [Kenneth Lay](#), and Internet spammers. But as economic crimes turn political — bundles of [cash hidden in a freezer](#); foreign donors agents [hand-carrying \\$640,000 to the White House](#); billionaires who spend most of their time outside the United States, while [subsidizing left-wing candidates and causes at home](#) — a whole new roster of rules and restrictions begin to cripple economic rights at home, producing an increasingly "necessary" statist agenda. Supply and demand gets murky; a controlled market gains traction.

Thus, what the public hears coming out of many a politician's mouth is a mixture of socialism (dressed up as "leveling the playing field"), anarchy (masked as "individualism"), and economic control (with interest-rate and market manipulation, compliments of the Federal Reserve, but cloaked as "stabilizing the economy").

So, nothing is as it seems to be: Prices rise, but economic experts proclaim "low inflation." Unemployment soars as jobs go overseas or are "outsourced," but candidates boast that their administrations will "create jobs — even though job-creation is not a government prerogative. Savings tank, while sector after sector is, in effect, nationalized.

Moreover, "free-market socialism" — today about two-thirds Marxist economics and one-third Mutualist Anarchism, with a sliver left over for celebrities and billionaire entrepreneurs who can afford to suck up regulatory and bureaucratic costs — is alive and well and flourishing in America.

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