

several years now that people were considering and taking steps to reduce their dependence on the legal market and avoid dealing in it where they could. Undoubtedly, there are various motivations at work. Some are attempting to avoid or evade paying taxes. Some are trying to survive when they cannot find employment in the legal market. Others may be drawn to a simpler and more basic way of living. Still others may be ideologically motivated or justified, harbor an animosity toward the market itself, and wish to avoid an arena dominated by capitalists, as they see it. There are people who are so antigovernment that they want as little as possible to do with the legal market. My concern is not primarily with the specific motivations but with the phenomenon of withdrawing from the legal market and its relation to the burden placed upon the market by government intervention.

Dealing in Cash

Three categories of activities for avoiding the penalties and burden of the legal market have emerged and assumed some importance thus far. One is to deal in cash or other means of transferring funds without keeping records. The IRS claims that several hundreds of billions of dollars earned in this way largely may be eluding the taxgatherers. Be that as it may, newspaper and other re-

ports indicate that there is a goodly amount of this done. It probably occurs mainly in payments for labor and services, though other goods may be transferred this way so long as the transfer does not have to be recorded.

There is nothing illegal about dealing in cash or other negotiable instruments, *per se*. Nor are such trades anything other than normal market activities on their face. They become evasions of the legal market, however, when some law is violated in connection with them. If the person receiving such income does not report it for tax purposes, he is failing to comply with the law. In like manner, if an employer pays in that manner to avoid paying the minimum wage, withholding taxes, or Social Security, he would not be in compliance with the law. How widespread such practices are is a matter of conjecture, but the IRS, at least, claims they are occurring on a large scale and that much money is involved.

Barter

A second activity is the revival of bartering. Again, labor and services appear to be mainly what is traded. Thus, a lawyer may trade a legal service to an orthodontist for work on his children's teeth or an electrician may trade with a carpenter, and so on. Organizations have even been formed to facilitate such exchanges

in some communities. Again, these are market activities, albeit rather crude or primitive ones, and there is nothing illegal about them.

However, the attraction in this sort of activity must surely be increased by the fact that collecting taxes on the transactions is difficult, to say the least. It comes so close to performing services for yourself, which is not taxable, that it seems a quibble to argue that it could even be taxed. Presumably, no money has changed hands, and no prices translated into money have been named. I decline further comment on this activity, however, for I neither desire to be guilty of encouraging tax evasion nor to add any arguments to the arsenal of those of the taxgatherers.

The other activity comprises a whole range of undertakings, all of which would presumably reduce or eliminate some dependence on the market. They range from home-gardening to the revival of arts and crafts to solar heating and cooling to sewing to whatever may be done in the home or on the land to provide for the wants of a person or family. Many of these are fairly commonplace ideas; others are quite exotic.

Do-It-Yourself Activities

Over the past decade a considerable literature has been developed describing and promoting these do-it-yourself activities. Magazines, such

as the popular *Mother Earth* publication, are regularly devoted to exchanges of information and descriptions of these things. A goodly number of books have been published on such topics as how to produce all your food on two acres of land. There are undoubtedly other values to these activities, but so far as they are economically feasible they result in avoiding at least some of the burden that has now been laid on the market.

It is possible to lay such burdens on the market that people either will not or cannot meet their wants in the market. It is possible to destroy the currency by inflation so that trades can no longer be practically effected with the official money. It is possible to lay such a burden of taxes on the market that people will refuse to operate within it. It is possible to regulate productive activity to the extent that very little can or will be produced for it. It is possible, by so doing, to leave people with only primitive and crude means for providing for themselves. Some or all of these things have happened in the course of history, at various times and places.

The Soviet Union was reduced to primitive economic conditions between 1918-1921. Some of the destruction could be attributed to the civil war, but most of it can be placed on the actions of the Bolshevik rulers. The money supply was virtually