Anarchist Economics

Two Selections by Benjamin Tucker
On Mutualism and on Corporations

Anarchy.
Once you've tried it, nothing else compares.
Capitalist Society Sucks

Governments have nothing to give us except what they have first taken away. No one can give us freedom. Groups that promise freedom and peace lie and give us war and injustice, perpetuating the injustice of hierarchy in the name of liberty. The colonialism so deeply ingrained in our minds has created the monotone McCulture of the western world that is being sold to the globe in the flashing images on TV and on the silver screen of Hollywood.

The disenchantment of industrial production with its time clocks, specialization, and production for profit for its own sake is a further division of labor that create classism and hierarchy. Social class did not fall from the moon. It was created using the division of labor. In hunter and gatherer societies men hunted and women gathered. As time went by the hunters turn to warriors and then to kings. This was the embryo of the modern patriarchal world.

Social classes produce a psychology of domination, and when people lose control of their destinies they often times try to control someone or thing else. This alienation is the creator of class war, sexism, racism, homophobia and ecological destruction.

Because of fetishism of commodities, we fill our lives with stuff. We must work to fill the void left by the consumer world. We fail to notice how stuck we are in the vicious circle of production, having to work to pay for things we don’t really need as well as working to make more junk. Its an insane paper chase and completely unnecessary except to keep consumer capitalism grinding on. Perhaps only 5% of the work done today feeds, heats and lights our lives, the rest is pretty much unnecessary.

Humanity is out of step with the planet around us. We must reconnect with the earth and become, once again, part of the ecosystem. The richness and diversity of all forms of life have value and humanity is part of this web not its center.

Land and Liberty

Malcolm X once pointed out that all revolution is based on land. Land is the basis of freedom, justice and equality. The agriculture/food industry is the second most profitable industry in the capitalist world after the pharmaceutical industry, so if we can learn to take care of ourselves through free skool, to be able to feed ourselves and have health care for those around us, then we are taking direct action. We are undermining the systems hold over the world and us.

Globalism needs resources from across the planet to survive. The mega machine exploits those who work the land; people who have nothing to gain from cooperating with capital and so take back the land. Groups in Central America and South America like the EZLN or MST re occupy land just the same all urban guerilla gardeners do in cities around the US.

These ideas are nothing new as even during the Middle Ages people like the Taborites, the free Spirit, the Diggers to Modern times like the Mennonists in the Ukraine, those who agreed with the Mason brothers and agricultural collectives in Spain have all fought for the land.
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The following two articles are by one of the foremost American Mutualist Anarchists, Benjamin Tucker. The first of these spells out the basic ideas of Mutualist Anarchism as developed by Pierre Joseph Proudhon and Josiah Warren early in the Nineteenth Century. The second article examines how anarchists would deal with the large corporations which had grown up in the latter years of that century.

[Proudhon and Warren] ... came face to face with the obstacle of class monopolies, they saw that these monopolies rested upon Authority, and concluded that the thing to be done was, not to strengthen this Authority, and thus make monopoly universal, but to utterly uproot Authority and give full sway to the opposite principle, Liberty, by making competition, the antithesis of monopoly, universal. They saw in competition the great leveller of prices to the labor cost of production. In this they agreed with the political economists. The query then naturally presented itself why all prices do not fall to labor cost; where there is any room for incomes acquired otherwise than by labor; in a word, why the usurer, the receiver of interest, rent and profit, exists. The answer was found in the present one-sidedness of competition. It was discovered that capital had so manipulated legislation that unlimited competition is allowed in supplying productive labor, thus keeping wages down to the starvation point, or as near as practicable; that a great deal of competition is allowed in supplying distributive labor, or the labor of the mercantile classes, thus keeping, not the price of goods, but the merchant actual profits on them down to a point somewhat approximating equitable wages for the merchants' work; but that almost no competition at all is allowed in supplying capital, upon the aid of which both productive and distributive labor are dependent for their power of achievement, thus keeping the rate of interest on money and of house-rent and ground-rent at as high a point as the necessities of the people will bear.
On discovering this, Warren and Proudhon charged the political economists with being afraid of their own doctrine. The Manchester men were accused of being inconsistent. They believed in liberty to compete with the laborer in order to reduce wages, but not in liberty to compete with the capitalist in order to reduce his usury. Laissez faire was very good sauce for the goose labor, but poor sauce for the gander capital. But how to correct this inconsistency, how to serve the gander with this sauce, how to put capital at the service of business men and laborers at cost, or free of usury, - that was the problem.

Marx, as we have seen, solved it by declaring capital to be a different thing from product, and maintaining that it belonged to society and should be seized by society and employed for the benefit of all alike. Proudhon scoffed at this distinction between capital and product. He maintained that capital and product are not different kinds of wealth, but simply alternate conditions or functions of the same wealth; that all wealth undergoes an incessant, transformation from capital into product and from product back into capital, the process repeating itself interminably; that capital and product are purely social terms; that what is product to one man immediately becomes capital to another, and vice versa; that if there were but one person in the world, all wealth would be to him at once capital and product...that a steam engine is just as much a product as coat, and that a coat is just as much capital as a steam engine...

For these and other reasons Proudhon and Warren found themselves unable to sanction any such plan as the seizure of capital by society. But, though opposed to socializing the ownership of capital, they aimed nevertheless to socialize its effects by making its use beneficial to all instead of a means of impoverishing the many to enrich the few. And when the light burst upon them, they saw that this could be done by subjecting capital to the natural law of competition, thus bringing the price of its own use down to cost - that is, to nothing beyond the expenses incidental to handling and

-It means trying to figure out how to work together to meet our individual needs, how to work with each other rather than "for" or against each other. And when this is impossible, it means preferring strife to submission and domination.

-It means not valuing any system or ideology above the people it purports to serve, not valuing anything theoretical above the real things in this world. It means being faithful to real human beings (and animals, etc.), fighting for ourselves and for each other, not out of "responsibility," not for "causes" or other intangible concepts.

-It means not forcing your desires into a hierarchical order, either, but accepting and embracing all of them, accepting yourself. It means not trying to force the self to abide by any external laws, not trying to restrict your emotions to the predictable or the practical, not pushing your instincts and desires into boxes: for there is no cage large enough to accommodate the human soul in all its flights, all its heights and depths.

-It means refusing to put the responsibility for your happiness in anyone else's hands, whether that be parents, lovers, employers, or society itself. It means taking the pursuit of meaning and joy in your life upon your own shoulders.

For what else should we pursue, if not happiness? If something isn't valuable because we find meaning and joy in it, then what could possibly make it important? How could abstractions like "responsibility," "order," or "propriety" possibly be more important than the real needs of the people who invented them? Should we serve employers, parents, the State, God, capitalism, moral law, causes, movements, "society" before ourselves? Who taught you that, anyway?
 Associations which do not use it, and thereby compelling the non-owning users to pay tribute to the non-using owners as a condition of admission to the competitive market.

Interest is due to that denial of liberty which takes the shape of the money monopoly, depriving all individuals and associations, save such as hold a certain kind of property, of the right to issue promissory notes as currency, and thereby compelling all holders of property other than the kind thus privileged, as well as all non-proprieters, to pay tribute to the holders of the privileged property for the use of a circulating medium and instrument of credit which, in the complex stage that industry and commerce have now reached, has become the chief essential of a competitive market.

Now, Anarchism, which as I have said, is the doctrine that in all matters there should be the greatest amount of individual liberty compatible with equality of liberty, finds that none of these denials of liberty are necessary to the maintenance of equality of liberty, but that each and every one of them, on the contrary, is destructive of equality of liberty. Therefore it declares them unnecessary, arbitrary, oppressive, and unjust, and demands their immediate cessation.

If then, the four monopolies to which I have referred are unnecessary denials of liberty, and therefore unjust denials of liberty, and if they are the sustaining causes of interest, rent, and monopolistic profit, and if, in turn, this usurious trinity is the cause of all vast accumulations of wealth...it clearly follows that the adequate solution of the problem with which the trusts confront us is to be found only in abolition of these monopolies and the consequent guarantee of perfectly free competition...For liberty is the remedy of every social evil, and to Anarchy the world must look at last for any enduring guarantee of social order.

N.B. These two articles were taken from INDIVIDUAL LIBERTY published in 1927, pps. 8 - 13, and 249 - 256.
be doing business on the capital of their customers, the business consisting in the exchange of the known and widely available credits of the banks for the unknown and unavailable, but equally good, credits of the customers, and a charge therefore of less than one per cent, not as interest for the use of capital, but as pay for the running of the banks. This facility of acquiring capital will give an unheard of impetus to business, and consequently create an unprecedented demand for labor - a demand which will always be in excess of supply, directly the contrary of the present condition of the labor market. Then will be seen an exemplification of the words of Richard Cobden that, when two laborers are after one employer, wages fall, but when two employers are after one laborer, wages rise. Labor will then be in as position to dictate its wages and thus secure its natural wage, its entire product. Thus, the same blow that strikes interest down will send wages up. But this is not all. Down will go profits also. For merchants, instead of buying at high prices on credit, will borrow money at the bank at less than one per cent, buy at low prices for cash, and correspondingly reduce the prices of their goods for their customers. And with the rest will go house rent. For no one who can borrow capital at one per cent with which to build a house of his own will consent to pay rent to a landlord at a higher rate than that. Such is the vast claim made by Proudhon and Warren as to the results of the simple abolition of the money monopoly.

Second in importance comes the land monopoly, the evil effects of which are seen principally in exclusively agricultural countries, like Ireland. This monopoly consists in the enforcement by government of land titles which do not rest upon personal occupancy and cultivation. It was obvious to Warren and Proudhon that, as soon as individualists should no longer be protected by their fellows in anything but personal occupancy and cultivation of the land, ground rent would disappear, and so usury would have one less leg to stand on. Their followers of today are disposed to modify this claim to the extent of admitting that the very small fraction of ground justice, or they do not have their foundations in justice. If they have their foundations injustice, why should men guilty of nothing but a legitimate act of cooperation and partnership be punished therefor by having their just rights taken from them?...If tariffs are unjust, they should not be levied at all. If patents and copyrights are unjust, they should not be granted to anyone whomever...

Nevertheless, at this point in the hunt for the solution of the trust problem, the discerning student may begin to realize that he is not on the trail. The thought arises that the trusts, instead of growing out of competition, as is so generally supposed, have been made possible only by the absence of competition, only by the difficulty of competition, - only in short, by those arbitrary limitations which we find in those law created privileges and monopolies of which I have just spoken, and in one or two others less direct, but still more far reaching and deadly in their destructive influence upon enterprise. And it is with this thought that Anarchism, the doctrine that in all matters there should be the greatest amount of individual liberty compatible with equality of liberty, approaches the case in hand and offers its diagnosis and its remedy...

It is the fact that the trusts owe their power to vast accumulation and concentration of wealth...which owed its existence to one or more of the only means by which large fortunes can be rolled up, - interest, rent, and monopolistic profit. But for interest, rent and monopolistic profit, therefore, trusts would be impossible. Now, what causes interest, rent and monopolistic profit? For all there is but one cause - the denial of liberty, the suppression or restriction of competition, the legal creation of monopolies.

This single cause, however, takes various shapes.

Monopolistic profit is due to that denial of liberty which takes the shape of patent, copyright, and tariff legislation, patent and copyright laws directly forbidding competition, and tariff laws placing competition at a fatal disadvantage.

Rent is due to that denial of liberty which takes the shape of land monopoly, vesting titles to land in individuals and
and selling more cheaply than those outside of the trust can produce and sell; but in that sense every successful individual competitor also denies competition. And if the trust is to be suppressed for such denial of competition, then the very competition in the name of which the trust is to be suppressed must itself be suppressed also. I repeat: the argument proves too much. The fact is that there is one denial of competition which is the right of all, and that there is another denial of competition which is the right of none. All of us, whether out of a trust or in it, have a right to deny competition by competing, but none of us have a right to deny competition by arbitrary decree, by interference with voluntary effort, by forcible suppression of initiative...

There is no warrant in reason for deriving a right to control trusts from the State grant of corporate privileges under which they are organized. In the first place, it being pure usurpation to presume to endow any body of men with rights and exemptions that are not theirs already under the social law of equal liberty, corporate privileges are in themselves a wrong; and one wrong is not to be undone by attempting to offset it by another. But, even admitting the justice of corporate charters, the avowed purpose in granting them is to encourage cooperation, and thus stimulate industrial and commercial development for the community. Now, to make this encouragement an excuse for its own nullification by a proportionate restriction of cooperation would be to add one more to those interminable imitations of the task of Sisyphus for which that stupid institution we call the State has ever been notorious.

Of somewhat the same nature, but rather more plausible at first blush, is the proposition to cripple the trusts by stripping them of those law-created privileges and monopolies which are conferred, not upon the trusts as corporate bodies, but upon sundry individuals and interests, ostensibly for protection of the producer and inventor, but really for the purposes of plunder... I refer, of course, to tariffs, patents, and copyrights. Now, tariffs, patents and copyrights either have their foundations in
current which rests, not on monopoly, but on superiority of soil or site, will continue to exist for a time and perhaps forever, though tending constantly to a minimum under conditions of freedom...

Third, the tariff monopoly, which consists in fostering production at high prices and under unfavorable conditions by visiting with the penalty of taxation those who patronize production at low prices and under favorable conditions. The evil to which this monopoly gives rise might more properly be called misusury than usury, because it compels labor to pay, not exactly for the use of capital, but rather for the misuse of capital. The abolition of this monopoly would result in a great reduction in the prices of all articles taxed and this saving to the laborers who consume these articles would be another step toward securing to the laborer his natural wage, his entire product. Proudhon admitted, however, that to abolish this monopoly before abolishing the money monopoly would be a cruel and disastrous policy, first, because the evil scarcity of money, created by the money monopoly, would be intensified by the flow of money out of the country which would be involved in an excess of imports over exports, and second, because that fraction of the laborers of the country which is now employed in the protected industries would be turned adrift to face starvation without the insatiable demand for labor which a competitive money system would create. Free trade in money at home, making money and work abundant, was insisted upon by Proudhon as a prior condition of free trade in goods with foreign countries.

Fourth, the patent monopoly, which consists in protecting inventors and authors against competition for a period long enough to enable them to extort from the people a reward enormously in excess of the labor measure of their services - in other words, in giving certain people a right of property for a term of years in law and facts of Nature, and the power to extract tribute from others for this natural wealth, which should be open to all. The abolition of this monopoly would fill its beneficiaries with a wholesome fear of competition which
would cause them to be satisfied with pay for their services equal to that which other laborers get for theirs, and to secure it by placing their products and works on the market at the outset at prices so low that their lines of business would be no more tempting to competitors than any other lines.

The development of the economic programme which consists in the destruction of these monopolies and the substitution for them of the freest competition led its authors to a perception of the fact that all their thought rested upon a very fundamental principle, the freedom of the individual, his right of sovereignty over himself, his products, and his affairs, and of rebellion against the dictation of external authority. Just as the idea of taking capital away from individuals and giving it to the government started Marx in a path which ends in making the government everything and the individual nothing, so the idea of taking capital away from government protected monopolies and putting it within easy reach of all individuals started Warren and Proudhon in a path which ends in making the individual everything and the government nothing. If the individual has a right to govern himself, all external government is tyranny. Hence the necessity of abolishing the State. This was the logical conclusion to which Warren and Proudhon were forced and it became the fundamental article of their political philosophy. It is the doctrine which Proudhon named Anarchism, a word derived from the Greek, and meaning, not necessarily the absence of order, as is generally supposed, but absence of rule. The Anarchists are simply untrified Jeffersonian Democrats. They believe that "the best government is that which governs least", and that which governs least is no government at all. Even the simple police function of protecting person and property they deny to governments supported by compulsory taxation. Protection they look upon as a thing to be secured, as long as it is necessary, by voluntary association and co-operation for self-defense, or as a commodity to be purchased, like any other commodity, of those who offer the best article at the lowest price. In their view it is in itself an invasion of the individual to

compel him to pay for or suffer a protection against invasion that he has not asked for and does not desire...Compulsory taxation is to them the life principle of all the monopolies, and passive, but organized resistance to the tax collector they contemplate, when the proper time comes, as one of the most effective methods of accomplishing their purposes.

THE ATTITUDE OF ANARCHISM TOWARD INDUSTRIAL COMBINATIONS

From a speech given to the Civic Federation Conference on Trusts, Chicago Sept 13. 1899

Having to deal very briefly with the problem which the so-called trusts confront us, I go at once to the heart of the subject, taking my stand on these propositions: That the right to cooperate is as unquestionable as the right to compete; that the right to compete involves the right to refrain from competition; and that competition is always, in the larger view, a method of cooperation; that each is a legitimate, orderly, non-invasive exercise of the individual will under the social law of equal liberty; and that any man or institution attempting to prohibit or restrict either, be legislative enactment or by any form of invasive force, is, in so far as such man or institution may fairly be judged by such an attempt, an enemy of liberty, an enemy of progress, an enemy of society, and an enemy of the human race.

Viewed in the light of these irrefutable propositions, the trust, then like every other industrial combination endeavoring to do collectively nothing but what each member of the combination rightfully may endeavor to do individually, is per se, an unimpeachable institution. To assail, control or deny this form of cooperation on the ground that it is itself a denial of competition is an absurdity. It is an absurdity because it proves too much. The trust is a denial of competition in no other sense than that in which competition itself is a denial of competition. The trust denies competition only by producing