A Mutualist FAQ

FREQUENTLY ASKED QUESTIONS ABOUT MUTUALISM

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Contents

A. WHAT IS MUTUALISM?

A one-sentence answer is that mutualism consists of people voluntarily banding together for the common purpose of mutual assistance. Clarence Swartz, in **What is Mutualism?,** defined it this way:

> *A Social System Based on Equal Freedom, Reciprocity, and the Sovereignty of the Individual Over Himself, His Affairs, and His Products, Realized Through Individual Initiative, Free Contract, Cooperation, Competition, and Voluntary Association for Defense Against the Invasive and for the Protection of Life, Liberty and Property of the Non-invasive.*

A character in Ken MacLeod's **The Star Fraction** gave a description of socialism that might have come from a mutualist:

> *…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 s**t and the violence: the best place for socialism is the closest to a free market you can get!*

Mutualism means building the kind of society we want here and now, based on grass-roots organization for voluntary cooperation and mutual aid– instead of waiting for the revolution. Because mutualism emphasizes building within the existing society, and avoiding confrontation with the state when it is unnecessary, it is sometimes identified with "Evolutionary Anarchism," and sometimes criticized as "reformist."

The idea was expressed by Proudhon (**General Idea of the Revolution in the Nineteenth Century**) as the mutualist economy growing within the statist one until the former eclipsed the latter. The political would eventually be absorbed in the economic, and the distinction between public and private would wither away. Although the phrase was not invented by Proudhon, the command of people would be replaced by the administration of things.

One of the best descriptions of mutualism, believe it or not, is this summary of Proudhon's philosophy by G. Ostergaard, a contributor to **A Dictionary of Marxist Thought**:

> *… he argued that working men should emancipate themselves, not by political but by economic means, through the voluntary organization of their own labour–a concept to which he attached redemptive value. His proposed system of equitable exchange between self-governing producers, organized individually or in association and financed by free credit, was called 'mutualism'. The units of the radically decentralized and pluralistic social order that he envisaged were to be linked at all levels by applying 'the federal principle'.* [p. 400]

Note–In this FAQ, mutualist and individualist anarchism are treated as more or less synonymous, unless otherwise noted. The **Anarchist FAQ** at Spunk divides anarchism into two main branches, social and individualist anarchism, and treats mutualism as a subset of social anarchism. We prefer to treat individualism as a distinctly American form of mutualism, developed under peculiarly American conditions. The most famous American individualist, Benjamin Tucker, was more affected by free market liberalism than other mutualists. (Although this has caused him to be claimed as a predecessor by right-libertarians and anarcho-capitalists, he regarded himself as a libertarian socialist.) When this puts him at odds with the rest of the broader mutualist movement, we acknowledge it. In our terminology, therefore, mutualist anarchism will be contrasted to various forms of communal anarchism: anarcho-communism, anarcho-collectivism, anarcho-syndicalism.

A.1. WHAT ARE THE HISTORICAL ORIGINS OF MUTUALISM?

Mutualism was the original form taken by the labor movement, first in Great Britain and shortly thereafter in France and the rest of Western Europe. Both mutualist practice and theory arose as part of the broad current of working class radicalism in England, from around the time of the publication of Paine's Rights of Man and the organization of the first Societies of Correspondence in the 1790s, to the Chartist movement. Mutualism existed for some time as a spontaneous working class practice before it was formalized in theory.

A.1.1. WHAT ARE THE ORIGINS OF MUTUALIST THEORY?

Again, mutualism as a form of organization preceded by some time its full formalization as a political and socio-economic theory. This is not to say, by any means, that there had previously been no theoretical dimension to the English working class movement. Thousands upon thousands of working people belonged to reading and debating societies, where radical newspapers and pamphlets were discussed, as well as the works of Paine, Cobbett, etc. But there was no formal, overarching theory of mutualism as a way of organizing politically and economically, for the most part, until the 1820s.

Some aspects of mutualism can be traced back much earlier, of course. Antecedents of the mutualist critique of landlordism disappear into the mists of time, as far back as peasants have been compelled to pay rent on their own land. Land reform was an issue both in Paine's **The Rights of Man**, and in Godwin. Much of the general current of radical economic theory doubtless came from the chiliastic visions of Ball and Tyler, of the Ranters and Quakers and Fifth Monarchists, the Dissenting sects, and radical offshoots of Methodism like the New Connexion and Primitive Methodists. Likewise the more secular versions of republicanism and economic populism, going back to the Levellers and Diggers. These dreams of a better world had been going underground and resurfacing in crisis times, ever since the imagery of **Piers Ploughman** was appealed to in the Peasant Revolt of 1381.

The vision of a better world, and resentment of existing circumstances, reflected the fact that the enclosures were still a living memory; and with it, the memory of how agricultural laborers organized their own work before they were robbed of their way of life, and how the common lands had been a source of economic independence and security. By the early Nineteenth Century,

their resentment and outrage was supplemented by that of independent artisans and weavers, who were being robbed of their independence by the ascendancy of the factory system.

In regard to the latter force, the early working class movement was powerfully shaped by the sensibilities of urban artisans and weavers who combined a "sense of lost independence" with "memories of their golden age." The weavers in particular carried a strong communitarian and egalitarian sensibility, basing their radicalism, "*whether voiced in Owenite or biblical language*," on "*essential rights and elementary notions of human fellowship and conduct.*"

> *It was as a whole community that they demanded betterment, and utopian notions of redesigning society anew at a stroke–Owenite communities, the universal general strike, the Chartist Land Plan–swept through them like fire on the common. But essentially the dream which arose in many different forms was the same–a community of independent small producers, exchanging their products without the distortions of masters and middlemen.* [Thompson 295]

In other words, Mutualism. In surveying the course of this evolution, we should keep in mind E.P. Thompson's remarks:

> *The changing productive relations and working conditions of the Industrial Revolution were imposed, not upon raw material, but upon the free-born Englishman–and the free-born Englishman as Paine had left him or as the Methodists had moulded him. The factory hand or stockinger was also the inheritor of Bunyan, of remembered village rights, of notions of equality before the law, of craft traditions. He was the object of massive religious indoctrination and the creator of new political traditions. The working class made itself as much as it was made.* [194]

The Jacobin-influenced radicalism of the 1790s saw exploitation largely in terms of taxation and feudal landlordism. The distinction between rent and taxation was vague. *"[G]overnment appears as court parasitism: taxes are a form of robbery, for pensioners and for wars of conquest..."* [E.P. Thompson 92, 99; Paine **Rights of Man** Pt. 2 Ch. 5] For example in Volney's **Ruins of Empire,** the nation was divided between those who *"by useful laborus contribute to the support and maintenance of society,"* and the parasites who lived off them: *"none but priests, courtiers, public accountants, commanders of troops, in short, the civil, military, or religious agents of government."*

> *People... What labour do you perform in the society?*
>
> *Privileged Class. None: we are not made to labour.*
>
> *People. How then have you acquired your wealth?*
>
> *Privileged Class. By taking the pains to govern you.*
>
> *People. To govern us!... We toil, and you enjoy; we produce and you dissipate; wealth flows from us, and you absorb it. Privileged men, class distinct from the people, form a class apart and govern yourselves.* [quoted in Ibid. 99]

Even so, it would be a mistake to make a sharp distinction between this analysis and the later critique of capitalism. The heritage of the manorial economy and the feudal aristocracy blurred

the distinction between the state and the economic ruling class. But such a distinction is largely imaginary in any social system. The main difference is that manorialism was openly founded on conquest, whereas capitalism hid its exploitative character behind a facade of "neutral" laws.

The critique of pre-capitalist authority structures had many features that could be expanded by analogy to the critique of capitalism. The mutualist analysis of capitalism as a system of state-enforced privilege is a direct extension of the Jacobin/radical critique of the landed aristocracy. The credit and patent monopolies were attacked on much the same principles as the radicals of the 1790s attacked seigneural rents. There was a great continuity of themes from the 1790s through Owenist and Chartist times. One such theme was the importance of widespread, egalitarian property ownership by the laboring classes, and the inequity of concentrating property ownership in the hands of a few non-producers. As expressed by Spence, Cobbett, etc., this in many ways prefigured distributism. The other major theme was the abolition of monopoly and privilege, enforced by the state, as the main source of exploitation of the laboring classes.

Thelwall and Spence, two thinkers associated with the London Society, worked out and elaborated the Jacobin radicalism of Paine in ways that bridged the gap between Jacobinism and Mutualism. John Thelwall was a man of immense courage and integrity. By the force of his personal character, he rallied the London Society and preserved a great deal of unity and solidarity, enabling it to weather the harsh persecution of the 90s for a remarkably long time. He spoke out, knowingly in the presence of informers, in terms like these: *"Robespierre set up a free constitution, and tyrannized in direct opposition to it. Pitt praises another free constitution, and tramples all its provisions under foot."* Not only did he speak such words in the presence of spies and informers, he denounced them in the course of his orations. [Ibid. 157-159]

But most importantly, Thelwall published lectures twice weekly in **The Tribune**, that

> *combine[d] political education with commentary upon events in a way which looks forward to Cobbett... His Radicalism was generally confined within the area defined by Paine; but his emphasis, far more than Paine's, was upon economic and social questions. He voiced the claim of the artisan for an independent livelihood by moderate labour; denounced legislation which penalised "the poor journeymen who associate together... while the rich manufacturers, the contractors, the monopolists... may associate as they please". He disclaimed "levelling" notions and criticised as "speculative" and remote schemes of land nationalisation or Pantisocracy. He upheld the independent manufacturer, who might raise himself by "the sweat of his own brow". But "production was a mockery, if it was not accompanied with just distribution... A small quantity of labour would be sufficient to supply necessaries and comforts if property was well distributed." Enemies to wise distribution were "land monopoly" and enclosures, and the "accumulation of capital"...*
>
> *We can say that Thelwall offered a consistent ideology to the artisan... While, like Paine, he stopped short at the criticism of private capital accumulation per se, he sought to limit the operation of "monopoly" and "commercial" exploitation, seeking to depict an ideal society of smallholders, small traders and artisans, and of labourers whose conditions and hours of labour, and health and old age, were protected.*
>
> *Thelwall took Jacobinism to the borders of Socialism...* [Ibid. 159-160]

And the Socialism he took it to the borders of was Mutualism.

Thomas Spence was another powerful thinker who left his mark on the London Corresponding Society. A Scottish Calvinist and self-taught school teacher, he, not Owen, first created a theoretical mutualism based on his readings of the Bible, John Locke and James Harrington. Many of the later Owenite movements were really Spencean in origin. Like Thelwall, he combined theory with activism. He spread his ideas not only by selling the tracts he published, but through *"handbills, chalked notices, broadsheets, and a periodical,* ***Pig's Meat****..."* Thompson even refers to "some sketchy evidence of arming and drilling connected with his shop." He spent some time in prison for his efforts, during the suspension of habeas corpus. [E.P. Thompson 161; Oxford, **The People's Farm** 147]

But Spence's windmill-tilting is outweighed by the importance of his thought. Like Thelwall, he took the anti-aristocratic teachings of Paine to the borders of Socialism.

> *...[W]e must destroy not only personal and hereditary Lordship, but the cause of them, which is Private Property in Land. The public mind being suitably prepared by reading my little Tracts... a few Contingent Parishes have only to declare the land to be theirs and form a convention of Parochial Delegates. Other adjacent Parishes would... follow the example, and send also their Delegates and thus would a beautiful and powerful New Republic instantaneously arise in full vigor. The power and resources of War passing in this manner in a moment into the hands of the People... their Tyrants would become weak and harmless... And being... scalped of their Revenues and the Lands that produced them their Power would never more grow to enable them to overturn our Temple of Liberty.* [quoted in E.P. Thompson 161-162]

Inspired by existing joint-stock companies, he favored the control of all large-scale production by democratic joint-stock companies, with each worker a shareholder and voter. Spence also issued his own coinage. [Oxford 28]

The Spencian movement continued to have some influence after Spence himself died in 1814. Thomas Evans, the Librarian to the society, in 1816 authored **Christian policy the Salvation of the Empire**. The movement continued to advocate that *"all feudality or lordship in the soil be abolished, and the territory declared to be the people's common farm,"* a policy which Thompson described as *"preparing the minds of artisans for the acceptance of Owen's* ***New View of Society."*** [613-614] G.D.H. Cole identified the "*tiny sect of Spenceans*" as "*the only organized body of Socialists*" in 1815. [**Short History** 52]

William Cobbett was the most monumental figure in the period between the 1790s and the rise of Owenism. He was a paradoxical thinker, a precursor not only of mutualism, but of the distributism of Chesterton and Belloc. He got his start as a Tory and an anti-Jacobin propagandist. But his Toryism was colored with the "country party" sentiment that despised the Whig oligarchy and the moneyed corruption of the Court, and looked back to an idealized vision of the precapitalist agrarian economy, "*a sentimentalized ideal of a sturdy, independent, plain-speaking people who despised wealth and rank but were loyal to their Constitution...*" [E.P. Thompson 459] Like the later Chesterton and Belloc, Cobbett combined an economic populism with a Tory (indeed an almost Jacobite) belief that royal absolutism was the best defense of the common man against the predation of the aristocrats. They exemplify of the tendency of reactionary populism to find common ground with the libertarian left, against the "establishment" of the center. The boundary between the thought of the "eighteenth century commonwealth" or republican ideology, and that of the Jacobites, is very porous.

The rise of Napoleon gave Cobbett the opportunity to distance himself from the Pitt government and shift his sympathies toward working class radicalism. "Jacobinism, as a movement deriving inspiration from France, was almost dead." Bonaparte was viewed as a tyrant who stamped out what remained of the Revolution, and at the same time as a foreign threat to the homeland. With the end of Jacobinism as a source of ideological conflict, anti-Jacobinism also lost its source of power. With the Radical movement dissociated from France, radicalism lost its "unpatriotic" taint. And at the same time, the comparison between the tyranny of Bonaparte and that of Pitt was obvious. [Ibid. 456-457] Cobbett in 1804 turned on the Pitt ministry.

> *The tide has turned: from popular enthusiasm it has run back to despotism: Buonaparte's exaltation to the post of Consul for life began the great change in men's minds, which has been completed by his more recent assumption*[i.e., as Emperor]*, and which not only removes the danger before to be apprehended from the prevalence of notions in favour of liberty, but tends to excite apprehensions of a different kind, to make us fear that, by means of the immense and yet growing influence now deposited in the hands of the minister by the funding and bank-note system, we may, in fact, though not in name, become little more than slaves, and slaves, too, not of the king, but of the minister of the day…*
>
> …[The Ministry] *endeavour[s] to sow the seeds of discord amongst* [the people]*; to divide them again into Jacobins and Anti-Jacobins; to hatch a pretext for measures of extraordinary coercion; to create discontent and disloyalty, to unnerve the arm of war, and to lay us prostrate at the foot of the enemy.*

In 1810, he was imprisoned for two years for criticizing the Army's abuses of flogging. [Ibid. 469] The Radical movement's polemic has become "a voice out of the old England of Winstanley and Bunyan, but of an old England which had begun to read Cobbett." [Ibid. 471] In the decade of the teens, according to Bamford's account,

> *the writings of William Cobbett suddenly became of great authority; they were read on nearly every cottage hearth in the manufacturing districts of South Lancashire, …Leicester, Derby, and Nottingham; also in many of the Scottish manufacturing towns… He directed his readers to the true cause of their sufferings–misgovernment; and to its proper corrective–parliamentary reform. Riots soon became scarce… Hampden clubs were now established… The Labourers… became deliberate and systematic in their proceedings…* [**Passages in the Life of a Radical**, in E.P. Thompson 620]

In Cobbett's **Political Register** and his **Weekly Political Pamphlet,** he stressed the burden of direct and indirect taxation on working people, to support armies of placemen and pensioners. These lines from his pamphlet **"Address to the Journeymen and Labourers"** (of which 200,000 sold in just over a year) is a good example of the general tenor of his polemics:

> *Whatever the Pride of rank, or riches or of scholarship may have induced some men to believe… the real strength and all the resources of a country, ever have sprung and ever must spring, from the labour of its people… Elegant dresses, superb furniture, stately buildings, fine roads and canals, fleet horses and carriages, numerous and stout ships,*

> *warehouses teeming with goods; all these… are so many marks of national wealth and resources. But all these spring from labour. Without the Journeymen and the labourers none of them could exist…* [E.P. Thompson 620-621]

Although Cobbett repeatedly affirmed his support for the right of revolution in theory, he hesitated to endorse the Hampden Clubs and secret organizations. He preferred the old-fashioned agitation of petitions and open county meetings. [Ibid. 637] In the face of the official witch-hunt provoked by the Hampden Clubs, he actively repudiated the radical clubs. The situation rapidly deteriorated with a new suspension of Habeas Corpus and the Seditious Meetings Act of 1817. Cobbett finally took refuge in the United States to escape prosecution, and returned only in late 1819. Although he resumed publication of the **Register** after some delay, but in the meantime the radical press had been considerably expanded by a "score of other journals…" [Ibid. 639-640]

Cobbett had many shortcomings, to be sure. He seldom moved beyond a petty bourgeois critique of "the parasitism of certain vested interests."

> *He could not allow a critique which centred on ownership; therefore he expounded… a demonology, in which the people's evils were caused by taxation, the National Debt, and the paper-money system, and by the hordes of parasites–fund-holders, placemen, brokers and tax-collectors–who had battened upon these three. …Cobbett's prejudices keyed in with the grievances of the small producers, shopkeepers, artisans, small farmers, and the consumers. Attention was diverted from the landowner or industrial capitalist and focussed upon the middleman–the factor or broker who cornered markets, profited from the people's shortages, or lived, in any way not closely attached to land or industry, upon unearned income.* [Ibid. 757]

But if Cobbett focused on specific grievances of the petty bourgeois, he appealed to a general resentment of lost independence that was common to the whole working class.

> *The values which he endorsed with his whole being… were those of sturdy individualism and independence. He lamented the passing of small farmers; of small tradesmen; the drawing of the resources of the country together into "great heaps"; the loss by the weavers of "the frank and bold character formed in the days of their independence".* [Ibid. 759]

Cobbett's exposition of the rights of ordinary Englishmen reflects something like a myth of the Anglo-Saxon Constitution, or a medieval contract between King and People:

> *Among these rights was, the right to live in the country of our birth; the right to have a living out of the land of our birth in exchange for our labour duly and honestly performed; the right, in case we fell into distress, to have our wants sufficiently relieved out of the produce of the land, whether that distress arose from sickness, from decrepitude, from old age, or from inability to find employment.* [**Tour of Scotland**, in E.P. Thompson 761]

Although his denunciations were aimed specifically at the grievances of the petty bourgeoisie, they were applicable to the artisan's defeat at the hands of the factory system, and the farm

laborer's longing for the independence and security of the commons. Cobbett was important, not so much for what he said, as for how the industrial working class made it their own, and developed it in ways that were beyond his intention.

Even so, Cobbett himself took his thought almost to the borders of revolutionary conclusions. If he saw "*the factory proletariat of Manchester less as new-fangled men than as little producers who had lost their independence and rights*," he still hated the factory system. His views on agricultural labor were colored by his idealized vision of a patriarchal system in which "*the landowner, the good tenant, the petty land-holder, and the labourer all had their part, provided that productive and social relationships were governed by certain mutual obligations and sanctions.*"

But the reality had so departed from this vision that, in practice, Cobbett came very close to endorsing seizure of the land by the rural laboring classes. [E.P. Thompson 759-760] A few months before his death in 1835, he wrote in the **Political Register:**

> *God gave them life upon this land; they have as much right to be upon it as you have; they have a clear right to a maintenance out of the land, in exchange for their labour; and, if you cannot so manage your lands yourselves as to take labour from them, in exchange for a living, give the land up to them…* [Ibid. 760]

That a far more radical ediface could be built on this foundation is shown by Chesterton's and Belloc's endorsement of guild socialism.

In the second decade, John Wade and other writers at **The Gorgon** were building on the petty bourgeois radicalism of their predecessors and beginning to take it in a specifically working-class direction. With an increased emphasis on the labor theory of value, they divided society into a schema of producers and parasites.

> *The industrious orders may be compared to the soil, out of which everything is evolved and produced; the other classes to the trees, tares, weeds and vegetables, drawing their nutriment… on its surface…* [**Gorgon** Aug. 8, 1818, in E.P. Thompson 771]

While this partly reflected the radicalism of Paine and Cobbett, it was now being used to describe the class conflict between industrial workers and the owning and managing classes. And working class spokesmen were coming to see self-organization as the answer to exploitation.

> *…we had always thought that the prosperity of masters and workmen were simultaneous and inseparable. But the fact is not so, and we have no hesitation in saying that the cause of the* ***deterioration*** *in the circumstances of workmen generally, and the different degrees of deterioration among different classes of journeymen, depends entirely on the degree of perfection that prevails among them, which the law has pronounced a crime–namely COMBINATION.* [**Gorgon** Nov. 21, 1818, in E.P. Thompson 773]

It was the development of such thinking that laid the groundwork for Owenite mutualism; in fact it is arguable that it used Owenism as its vehicle.

Mutualist theory first appeared as an organized thought system in the work of Owen and his interpreters. Owen's first notable action was his experiment in enlightened management in the factory village of New Lanark. Beginning around 1806, according to Gregory Claeys, he

brought in superior goods at lower prices, reducing the cost of living by some twenty-five percent. When an American cotton embargo halted production for four months, Owen continued to pay full wage... His next ambition was to improve performance in the workplace. This he effected in part by using a "silent monitor", a painted piece of wood which reflected with different colours the achievements of each worker... In 1816, he reduced the working day from eleven and three quarters hours to ten and three quarters hours. That year, he opened his school, the Institute for the Formation of Character. Paid for entirely out of profits from the store, it combined dancing, singing, and military exercises... At the Institute, Owen... sought in particular to exclude punishment, to make learning interesting to young minds, and to encourage the children to see their own happiness as contingent on that of others... But fear played some role in his efforts to combat social indiscipline in the village itself. He fined all who had illegitimate children, the proceeds going into a sick fund. Pilfering, absenteeism and sloth were reduced by a firmer system of checks on stock and output. One sixtieth of wages was automatically set aside for sickness, injury and old age. Internal order was also encouraged by reorganizing the village into groups of houses called "neighbourhood divisions". Annually, the heads of households in each division chose a "principal". These elected twelve "jurors" to sit monthly for one year, hearing and judging cases respecting the internal order of the community.

The experiment was a marvellous success... Owen's accomplishment was considerable: he had seemingly combined astonishing profits with wages which, while lower than in some factories, had a higher purchasing power in the village itself, as well as... a morally improved workforce. [**Selected Works**I:xix-xx]

In his **"Statement Regarding the New Lanark Establishment"** (1812), Owen characterized his plan as

intended... to produce the greatest ultimate profits to the proprietors, with the greatest comfort and improvement to the numerous population to whom it afforded employment; that the latter might be a model and example to the manufacturing community, which, without some change in the formation of their characters, threatened, and now still more threatens, to revolutionize and ruin the empire. The plan was founded on the simple and evident principle, that any characters, from the savage to the sage or intelligent benevolent man, might be formed, by applying the proper means, and that these means are to a great extent at the command and under the controul of those who have influence in society... [**Selected Works** I:13-14]

He continued these themes in **A New View of Society** (1813-1816), written to publicize his accomplishments at New Lanark on a national scale.

Many of you have long experienced in your manufacturing operations the advantages of substantial, well-contrived and well-executed machinery...

Experience has also shown you the difference of the results between mechanism which is neat, clean, well-arrayed, and always in a high state of repair; and [the reverse]...

> *If, then, due care as to the state of your inanimate machines can produce such beneficial results, what may not be expected if you devote equal attention to your vital machines…?*
>
> *I have expended much time and capital upon improvements of the living machinery; and it will soon appear that time and the money so expended… are now producing a return exceeding fifty per cent…* [**Selected Works** I:28-29]

Despite the initial recalcitrance and suspicion of the people of New Lanark, and their attempts *"to counteract the plan which he attempted to introduce,"* Owen nevertheless *"did not lose his patience, his temper, or his confidence in the certain success of the principles on which he founded his conduct."* And as he expected, *"the population could not continue to resist a firm well-directed kindness."* [Ibid. I:47] Just like the happy darkies on the plantations of the old South, all they needed was a firm hand by somebody who knew their interests better than they did.

In these passages are concentrated, in a remarkably small space, some of the ugliest features of twentieth century social engineering under the rule of the "New Class." His degrading characterization of human malleability sound like something out of B.F. Skinner, or maybe **A Clockwork Orange.** In his combination of condescending paternalism with a view to increased efficiency and profit, he resembles the "corporate liberals" described by James Weinstein. In his obsession with social order and the danger of revolution, his belief that the lives of ordinary people could never be improved by self-organization and initiave, and his smug confidence in his own benevolence and righteousness, Owen resembled nothing so much as a dress rehearsal for Fabianism. And if that is not enough, he is the uncle of the scientific management of Ure and Taylor. To the extent that mutualism is a system of thought based on the dignity, competence, and self-activity of average people, Owen himself has little relevance; the importance of Owen lies in what the working-class movement made of him.

Regardless of the unattractiveness of Owen as a personality, his experiment at New Lanark yielded some improvements in the material quality of life. He eliminated child labor under the age of ten, and educated the young children in the village school without expense to the parents. He made the houses more comfortable, improved the streets, and procured high quality food and clothing for his store at reasonable prices. [Ibid. I:50]

Nevertheless, character formation was a chief object of Owen's policies. Like many other paternalistic capitalists, Owen devoted a great deal of his energies toward the supervision of private mores, such as combating drunkenness and bastardy. Owen's method of dealing with vice was not punishment, but increased regulation and surveillance, combined with instruction

> *in how to direct their industry in legal and useful occupations… Thus the difficulty of committing the crime was increased, the detection afterwards rendered more easy, the habit of honest industry formed, and the pleasure of good conduct experienced.* [Ibid. I:48]

For the adults Owen introduced carefully planned and supervised leisure, in common facilities. Their free time was taken up with *"evening lectures… three nights in the week, alternately with dancing*

> *to instruct the adult part of the community in the most useful practical parts of knowledge in which they are deficient, particularly in the proper method of training their*

> *children to become rational creatures, how to expend the earnings of their own labour to advantage….* [Ibid. I:66]

The school (New Institution), with its playground, was an early experiment in the social engineering practices later advocated by the public educationists. He hoped that the time spent by children *"under the discipline of the playground and school"*

> [would] *afford all the opportunity that can be desired to create, cultivate, and establish, those sentiments which tend to the welfare of the community. And in conformity with this plan of proceeding, the precept which was given to the child of two years old, on coming into the playground, "that he must endeavour to make his companions happy", is to be renewed and enforced on his entrance into the school…*
>
> *As soon as the young mind shall be duly prepared for such instruction, the master should not allow any opportunity to escape, that would enable him to enforce the clear and inseparable connection which exists between the interest and happiness of each individual and* [that] *of every other individual.*[Ibid. I:64-65]

In reading Kropotkin's **Mutual Aid**, one can't help wondering just how human beings ever managed to do so much good to each other out of spontaneous empathy, without Mr. Owen to give them the proper behavioral conditioning.

Owen proposed expanding the principles of New Lanark into

> *a reform in the training and in the management of the poor, the ignorant, the untaught and untrained, or ill-taught and ill-trained, among the whole mass of British population…*
>
> *That plan is a national, well-digested, unexclusive system for the formation of character and general amelioration of the lower orders… I hesitate not to say, that the members of any community may by degrees be trained to live* ***without idleness, without poverty, without crime, and without punishment****…* [Ibid. I:54]
>
> *"It has been shown that the governing powers of any country may easily and economically give the subject just sentiments and the best habits…"* [Ibid. I:95]

Perhaps most importantly, he proposed replacing the existing Poor Laws with *"a national system of training and education for the poor and uninstructed,"* combined with proper employment instead of supporting them in idleness. It was the *"primary duty of every government… to provide perpetual employment of real national utility"*as a way of preventing the social disorders that resulted from fluctuations in the demand of labor. *"All men may, by judicious and proper laws and training, readily acquire knowledge and habits which will enable them… to produce far more than they need for their support and enjoyment…"* [Ibid. I:95-97] This idea was soon developed into his proposed system of Owenite colonies.

In 1817, Owen turned to public lectures and propaganda on the grand scale, to generalize the New Lanark system to society at large, and create self-supporting colonies of surplus population to solve the unemployment problem. In **"New State of Society,"** he proposed a system by which the poor could support themselves on the land in "villages of unity," *"employed on the land to*

create their own subsistence and well supply their own wants." Such villages would *"afford the most desirable arrangements for all the present surplus working population."* [Ibid. I:203,209]

His initial reception by the working class, for the most part, ranged from skepticism to hostility. For example the Radical paper **Black Dwarf** in 1817 denounced his plans to "*turn the country into a workhouse*" or a "*pauper barracks.*" According to Claeys, "*Rumours abounded that the government was manipulating him in order to deflect working-class attention from political reform...*" ["**Introduction," Selected Works** I:xxviii-xxix] As we will see in the section on mutualist practice, it was not until the 1820s that Owenist thought was diffused among the working classes, largely with the help of working class interpreters of Owenism. And when workers put Owenist ideas into practice on their own terms, Owen found himself fighting to avoid being left behind.

He elaborated his ideas in **"Report to the Country of Lanark"** (1820). He held forth at length on the organization and way of life in his "villages of unity." We get an unpleasant glimpse into the workings of his mind by reading his plans for the minutae of food, dress, heating, and even the geometrical layout of the villages (parallelogram). It's a wonder he didn't include a provision for what people would wipe their bottoms with, how much, and how to fold it.

But more importantly, he presented a theory of exchange based on labor that was later adopted by the cooperative movement as "labour notes." If the unemployed were enabled to support themselves through their own labor, given the existing system of exchange, the extra production would just flood the market and drive down prices.

> *It is the want of a profitable market that alone checks the successful and otherwise beneficial industry of the working classes.*
>
> *The markets of the world are created solely by the remuneration allowed for the industry of the working classes, and those markets are more or less extended and profitable in proportion as these classes are well or ill remunerated for their labour.*
>
> *But the existing arrangements of society will not permit the labourer to be remunerated for his industry, and in consequence all markets fail.* [Ibid. I:293-294]

The only solution was to "*adopt a standard of value*"–the labor standard–"*by means of which the exchange of the products of labour may proceed without check or limit...*" [Ibid. I:294] The theme of inequity in the money and credit systems, as a central cause for the exploitation of labor, was to be a common one among radicals into the next century. Exchange was to be based on "*the amount of labour in all products...*" "*A paper representative of the value of labour... will serve for every purpose of their domestic commerce or exchanges, and will be issued only for intrinsic value received and in store.*" [Ibid. I:326]

In 1825, Owen left for America. During his stay there, among other things, he organized the abortive colony of New Harmony in Indiana, and addressed both houses of Congress, the President and Supreme Court. His influence on American events is relevant mainly to the rise of Warrenism and the individualist movement, and will therefore be addressed later. He returned to Britain a couple of years later, as will see below, and found that a vibrant cooperative and labor movement had sprung up in his absence. From this point on, Owen's attempts to organize the working class took a back seat to their efforts to organize themselves.

After his return in 1827, Owen actively supported the movement toward cooperative labor and exchange. In **"Address to the Agriculturists, Mechanics, and Manufacturers,"** he referred to

the tendency, under the existing system, of labor-saving technology to impoverish and unemploy workers.

> *Instead of selling yourselves to the public for money, by which your labour receives the most useless and injurious direction, would it not be more rational to apply your physical and mental powers directly for your own use, in a fair exchange among yourselves, of value for value, or the amount of labour in one article, against the same amount in another?"*

The effect of such a system would be that "*Poverty, or the fear of Poverty, [would] be for ever removed from the producers of real wealth.*" [Ibid. I:111-112]

Owenist economics was taken over and expanded upon in the Twenties by several economic theorists. Thomas Hodgskin was the founder of **Mechanics Magazine**and was actively involved in the movement of the 1820s to create mechanics' institutes, self-managed by workers and supported with their own money. [Cole, **Short History** 57] In 1825, Thomas Hodgskin published **Labour Defended Against the Claims of Capital**, a defense of the right of labor to combine in trade unions**.**The pamphlet started out by accepting the labor theory of value of Ricardo and the other classical political economists, and arguing on the basis of it that the worker should receive his full product. This was the first complete statement of an idea that was to be common to the whole socialist movement (it was in the 1820s, by the way, that the term "socialism" first appeared in print, in an 1827 issue of the **London Co-operative Magazine** [Claeys I:xviii]).

As a foil, Hodgskin quoted Mill's remark that *"The labourer has neither raw materials nor tools. These are **provided** for him by the capitalist. For **making this provision**the capitalist of course expects a reward."* [34] He spent the bulk of the rest of the book arguing that capital was, in fact, stored, unpaid past labor performed by the worker. As Marx was to do later, he ridiculed with harsh wit the doctrine that capital was created by the capitalist's abstention from consumption. And the capitalist, therefore, who neither made the tools nor used them "*has no just claim to any portion of the produce.*" [71, 73]

> *Betwixt him who produces food and him who produces clothing, betwixt him who makes instruments and him who uses them, in steps the capitalist, who neither makes nor uses them and appropriates to himself the produce of both. With as niggard a hand as possible he transfers to each a part of the produce of the other, keeping to himself the larger share. Gradually and successively has he insinuated himself betwixt them, expanding in bulk as he has been nourished by their increasingly productive labours... While he despoils both, so completely does he exclude one from the view of the other that both believe they are indebted to him for subsistence.* [71-72]

In conjunction with the labor theory of value, Hodgskin stated a surplus value theory of exploitation:

> *The **real price** of a coat or a pair of shoes or a loaf of bread... is a certain quantity of labour... But for the **labourer** to have either of these articles he must give over and above the quantity of labour nature demands from him, a still larger quantity to the capitalist.* [75]

If labor were free, he wrote, the relative portion of the collective produce allocated to each worker, and to each trade, *"would be justly settled by what Dr. Smith calls the 'higgling of the market'."* [85-86] But since labor was not free, it would have to combine to force the capitalist to yield the full product of labor.

> *If... by combining they... incapacitate the masters from attaining any profit on their capital, and... prevent them from completing the engagements they have contracted to the capitalist, they will do themselves and the country incalculable service. They may reduce or destroy altogether the profit of the idle capitalist... butthey will augment the wages and rewards of industry, and will give to genius and skill their due share of the national produce. They will also increase prodigiously the productive power of the country by increasing the number of skilled labourers. The most successful and widespread possible combination to obtain an augmentation of wages would have no other injurious effect than to reduce the incomes of those who live on profit and interest, and who have no just claim but custom to any share of the national produce.* [91-92]

In response to the ostensible concern of members of Parliament that combinations of journeymen would drive capital out of the country, so that journeymen would suffer a lack of work, Hodgskin had only scorn. "*The journeymen... know their own interest better than it is known to the legislator; and they would be all the richer if there were not an idle capitalist in the country.*" And since the capitalist could not actually carry the factories and tools, skill of the laborers, or natural wealth out of the country, what couldn't the workers do for themselves with the capitalist gone? [92-95]

Hodgskin was vague on any course of action besides labor organization. G.D.H. Cole considered him a "philosophical anarchist" in the tradition of Godwin. And compared to more purely cooperativist Owenites like William Thompson, he seems a lot closer to the individualism of Warren. In any case, his work was enthusiastically taken up by John Gast, the leading figure in the movement to build a general labor federation in the 1820s. E.P. Thompson identified this, the confluence of Owenite economics and the working-class movement, as the point at which the working class adopted Owenism as its own. [778-79]

William Thompson's work explicitly built on Owenist ideas. Claeys considers him the most notable of the theoretical interpreters of Owenism in the 1820s. [**"Intro" I:**xxxviii-xxxix] In 1824, he published **An Inquiry into the Principles of the Distribution of Wealth Most Conducive to Human Happiness.** The first part of the book was an exposition of his general economic theory, summed up by the principles of "*free Labor, entire use of its Products, and voluntary Exchanges*."

His next step was a survey of *"those particular institutions or expedients, whose most obvious effect"* was to *"generate* [or] *perpetuate forced inequality of wealth*," or both. The first category was "*laws... interfering with the equal right of all to unappropriated articles*," including game and fishing laws. Laws "*which limit the free direction of labor"* included requirements for apprenticeship or guild membership, restrictions on the movement of laborers (i.e., vagrancy laws and settlements), monopolies. Controls on the rate of wages included wage ceilings and laws against combination, as well as encouragements to combinations of masters. In language foreshadowing Proudhon, Thompson attacked laws "*which aim to establish perpetuity of property, without labor, in the descendants of particular individuals*." He condemned laws "*which levy taxes"* or "*which control the*

mercantile value of currency" as "*contrivances for abstracting the products of labor, without the consent of the producers, by political power.*" And finally, laws *"which seize the annual products of labor to indemnify capitalists or their representatives, for wealth, by them given to political power, and by political power squandered* (i.e., taxes to pay interest on the national debt)." [**Inquiry** 363-365]

As a remedy for this inequity, Thompson proposed the "*gradual removal..., by simply withdrawing the force that protects them, of all the above institutions...*" [Ibid. 366] This sounds a great deal like the argument of Tucker and other American individualists, that ending state guarantees of privilege would be sufficient to end exploitation.

In the final section of the **Inquiry**, Thompson called for a system of "*voluntary equality of wealth*" through "*mutual co-operation.*" This system was explicitly based on Owen's teachings: "*Mutual co-operation, and equality of distribution, are the instruments by which he operates.*" [Ibid. 384] He proceeded, at length, to outline Owen's scheme for cooperative villages.

Thompson's **Labour Rewarded** (1827) was a response to Hodgskin**.** He shared Hodgskin's views on the labor theory of value and the surplus labor theory of exploitation, but objected to Hodgskin's preference for trade unions within a generally competitive society. Instead, he argued the merits of "Mutual Co-operation," as opposed to competition.

G.D.H. Cole called Hodgskin and Thompson *"the first to formulate clearly the working class criticism and inversion of the Ricardian economic system."* [**"Introduction"** to **Labour Defended**]

John Gray, in **Lecture on Human Happiness** (1825) and **The Social System**(1831), "*popularized a non-communitarian ideal of socialism in which co-operative labour and exchange ensured an equitable reward for labour, and national economic planning and production assured a rational balance of supply and demand.*" This vision was adopted by later Chartists like James Bronterre O'Brien and John Francis Bray. [Claeys, "**Intro"** I:xxxviii-xxxix]

Gray later, in **Lectures on the Nature and Use of Money** (1848), elaborated a libertarian theory of money. He started with something similar to the Owenist theory of money and exchange. The reason for overproduction and unemployment was the barrier to easy exchange created by the system of currency. "*My objection to the existing monetary system is... its dearness.*" [64] His goal was to make it "*as easy to sell the produce of men's labour at a fair price as it is to set men to work...*" [73] What was needed was a form of money "*of such a nature and quality that production... shall henceforth resume its natural right... of creating demand equal to itself,*" regardless of how much production was increased. [74] Under his ideal monetary system, "*all men may, without a shadow of difficulty, be placed in circumstances to buy the property of others, the very instant that they are in a position to sell their own...*" [85]

> *Permission to exchange the various products of our labour with each other, which permission is now withheld from us by Act of Parliament, must be conceded to us. In short, a channel of communication must be opened between man and man, by means of which mutual service may henceforth be given and received, and that upon a principle really deserving of the appellation—free.* [90]

Such a system would end the oversupply of labor, by which competition from the unemployed drove down wages. [91-92]

Under the existing system, however, there was no true currency for facilitating exchange, but rather a system in which bankers charged money for providing a medium of exchange. [86-87] Gray proposed a national system of Standard Banks to facilitate exchange, by monetizing the

goods of everyone engaged in trade. At that point, the goods would remain in the possession of the original owner until sold, with the bank having a lien on it. [110-228] "*Bank-notes... would be so many certificates of the existence of property admitted into the standard market, and therein remaining for sale by its respective owners...*" [125]

In this way he took his theory beyond proposing a system of labor notes, to something much more sophisticated. He abandoned labor-time as a measure of value. Instead he argued that simply ending the bankers' monopoly on the issue of money and credit, and leaving price to the market forces of supply and demand, would be enough to end usury and facilitate exchange. In this shift from labor notes to free banking and market prices, he approached the level of William C. Greene and Benjamin Tucker.

J.F. Bray, in **Labour's Wrong and Labour's Remedy** (1839), for the most part duplicated Thompson's line of argument on the labor theory of value, voluntary exchange, and voluntary collectivism. He made some unique rhetorical flourishes in describing the social system of class power:

> *But what is it that the capitalist... gives in exchange for the labour of the working man? The capitalist gives no labour, for he does not work... The wealth which the capitalist appears to give in exchange for the workman's labour was generated neither by the labour nor the riches of the capitalist, but it was originally obtained by the labour of the workman; and it is still daily taken from, by a fraudulent system of unequal exchange. The whole transaction... is... no other than a barefaced though legalized robbery, by means of which the capitalists and proprietors contrive to fasten themselves upon the producing classes...*
>
> *Under the present social system, the whole of the working classes are dependent upon the capitalist or employer for the means of labour; and where one class, by its position in society, is thus dependent upon another class for the MEANS OF LABOUR, it is dependent, likewise, for the MEANS OF LIFE.* [49-50, 52]

One of his witticisms resembled the style that Proudhon was to use shortly thereafter:

> *Our daily experience teaches us, that if we take a slice from a loaf, the slice never grows on again... Such is the case with the loaf of the working man; but that of the capitalist follows not this rule. His loaf continually increases instead of diminishing: with him, it is cut and come again, for ever.* [54-55]

In his theory of money, he argued that the only thing "*requisite for the issuing of... any... medium of exchange, is that there should be actual produce of some kind for it to rest upon.*" But the entire value of real capital in Great Britain was many times greater than the amount of currency. Under the existing system of artificial scarcity, bankers were able to charge a price for furnishiing the medium of exchange. [144, 148]

> *...it cannot be denied... that there is a universal desire for the comforts and conveniences of life–that all these things must be produced by labour–that there is a sufficiency of raw material to absorb the labour of all...–that labour can be set to work onl by capital–that capital may be effectually represented and brought into operation by a paper medium...* [145]

Finally, he elaborated on Owen's and Thompson's theory of social organization by imagining

> *that the whole five millions of the adult producers in the United Kingdom are formed into a number of joint stock companies, containing from 100 to 1,000 men each…–that each of these companies is composed of men of one trade, or confines its attention to the production or distribution of particular commodities…* [And that] *the productive classes… to be thus associated together, for the production and distribution of wealth…–that all their affairs are conducted through the instrumentality of general and local boards of trade…* [157]

Under this joint-stock system, which resembled full-blown syndicalism, he predicted full provision for pensions and health insurance, and a progressive reduction in the work-day. [160] He proposed to establish it by organizing within each trade "*the germs of a future company*," appointing a "*provisional government of delegates*" from each trade, and that bargaining begin "*between the producers thus united and the capitalists…*" [172]

Kropotkin described Thompson, with "*his followers*" Bray and Gray, as a "*precursor*" of "*French mutualism.*" [**"Anarchism"**] Rudolf Rocker had this to say about the Owenites of the Twenties:

> *…[Godwin] contributed to give to the young socialist movement in England, which found its maturest exponents in Robert Owen, John Gray and William Thompson, that unmistakable libertarian character which it had for a long time, and which it never assumed in Germany and many other countries.* (**Anarchosyndicalism**)

It was in this cultural setting that the word "socialist" first made its appearance in 1827, in the **London Co-operative Magazine.** [Claeys, "**Introduction," Selected Works** I:xviii]

The most monumental figure in the history of mutualist thought, without a doubt, was Pierre Joseph Proudhon. Proudhon was an early associate of Marx and, some have argued, initially influenced Marx. However that may be, they had a personal falling out before long, induced mainly by Marx's tendency to refuse association on any terms but his own. Much of the French socialist movement that was involved in creating the International Workingmen's Association, was Proudhonian in its orientation. Proudhon was the largest influence on Bakunin, and was arguably the father of all forms of Continental social anarchism. Proudhonian thought, in one of its currents, was a major contributing factor to the rise of syndicalism.

Unlike Owen, Proudhon's actions in the realm of mutualist practice are heavily overshadowed by his theoretical contributions. Therefore, we will deal with him entirely in the theory section, and treat his organizational experiments (i.e., the People's Bank) in the context of his theory of credit and exchange.

Central to Proudhon's analysis of class rule and exploitation is the idea of privilege. Proudhon shared the assumption, common to the whole early socialist movement, of the labor theory of value. Privilege was the means by which the products of labor were diverted from the producers to an idle owning class. One initial contribution to this theory, which quickly became a popular slogan as well, was **What is Property?**(1840)–the answer, of course, being property is theft. In it he made his first argument for a theory of property ownership based solely on occupancy and use, rather than absentee landlordism. Land and natural resources were a free gift of nature, rather than a product of human labor. And since their supply was fixed, nobody should have the

right to claim a property right in them beyond his personal ability to make use of them. A person was entitled to claim the full usufruct of a piece of land for so long as he occupied and used it, to maintain his occupancy against forcible dispossession, and to receive compensation for his labor in improving the land when he parted with it. But he was not entitled to claim absolute rights of ownership, to demand rent from the new occupier after he himself permanently and deliberately ceased to occupy it.

While Proudhon opposed "property" in the sense of absentee tenure for those not working the land, he stongly favored property in the sense of possession by the cultivator. He echoed Cobbett and foreshadowed the Distributists in seeing the wide diffusion of property as a guarantee of liberty to the average person and a check against the centralized power of capital and the state, and as a way to "*assure them the greatest possible well-being*." [**On the Political Capacity of the Working Classes** (1865), in **Selected Writings** 363-65] He saw the giant corporation as "*organized in the spirit of commercial and industrial feudalism*," and aimed at "*the monopolizing of production, exchange and profits*." [Ibid. 187]

We should note here that, although Proudhon shared the labor theory of value with other socialists, he did not promote labor time as a unit of currency, like Owen and Warren, or consider one hour of labor equal to another, like Tucker. He advocated differentials based on the difficulty or unpleasantness of the job, and the value produced. So although he believed all exchange-value was created by labor, his version of the theory came very close to modern ideas of "value-added."

At the same time, Proudhon believed that even the greatest mental and physical prodigies could only produce a few times as much as their average counterparts; and he believed that the ability of any worker to produce in a group enterprise was dependent on the social nature of production. These ideas should temper our understanding of his views on wage differentials. His views on this issue, taken as a whole, seem to allow for differentials in pay based on effort or skill, but not based on social power or prestige. [**Theory of Property** (1863-64) in **Selected Writings** 69; **On the Political Capacity of the Working Classes** (1865) in Ibid. 66-68, 143, 146-50]

> *If… any preference were to be given, it would not be to the brilliant, agreeable, honorable functions coveted by all, but… to laborious tasks that shock our sensibilities and are an offense to man's self-esteem…* [In response to a hypothetical offer of employment as a valet, he replied:] "*No job is stupid, there are only stupid people. Cares that are given to the human person are more than useful tasks, they are acts of charity that place the person who performs them above the person who receives them. Therefore, …I will place a condition upon my service: the man who wishes to employ me as a servant must pay me fifty per cent of his income.* [**Political Capacity,** in Ibid. 143, 146-50]

His remarks on effort-based differentials reflect a basic philosophical assumption that pay should be tied to work, and a resentment of parasitism. Proudhon saw competition as a necessary spur to effort, improved quality, and reduced cost.

> *…value can be discovered only by competition, not at all by communistic institutions or popular decree. For in this there is something more powerful than the will of the legislator and of citizens,–namely, the absolute impossibility that man should do his duty after finding himself relieved of all responsibility to himself… Ordain that… labor and wages are guaranteed to all: immediately an immense relaxation will succeed the*

extreme tension to which industry is now subjected; real value will fall rapidly below nominal value; ...the merchant will ask more and give less...

...Now that is precisely the effect of competition upon industry. Man rouses from his idleness only when want fills him with anxiety; and the surest way to extinguish his genius is to deliver him from all solicitude and take away from him the hope of profit..., by... transferring to the State the responsibility of his inertia...

...[I]f labor cannot find its reward in its own product, it should be abandoned as soon as possible... [**System of Economical Contradictions** I:226-27, 234, 236]

There is probably something to this, as painfully as it may strike the ears of the more collective-oriented anarchists. In a market, the only way to get money is to produce something somebody finds worth buying; the danger of losing one's income when a dissatisfied customer "takes his business elsewhere" is a powerful spur to quality. It's hard to imagine a non-market mechanism anywhere near as effective at punishing shoddy or inefficient work. In the first and last sentences of the block quote above, by the way, Proudhon seems to suggest something like Mises' problem of rational calculation in a non-market system.

Proudhon's views on property and the labor theory of value were common to the whole early socialist movement. What was unique about Proudhon was his mutualism. The mutualist vision of society entailed an erosion of the dividing line between state and society, and the performance of "state" functions through social bodies directly controlled by the populace. *"The democratic ideal is that the masses who are governed should at the same time govern, and that society should be the same thing as the State, and the people the same thing as the government..."*[**Political Contradictions** (1863-64), in **Selected Writings** 117] Here's an excellent description of a mutualist society, from **On the Political Capacity of the Working Classes** (1865):

Its law... is service for service, product for product, loan for loan, insurance for insurance, credit for credit, security for security, guarantee for guarantee. It is the ancient law of retaliation, ...as it were turned upside down and transferred... to economic law, to the tasks of labor and to the good offices of free fraternity. On it depend all the mutualist institutions: mutual insurance, mutual credit, mutual aid, mutual education; reciprocal guarantees of openings, exchanges and labor for good quality and fairly priced goods.[**Selected Writings** 59-60]

It's important here to keep in mind Proudhon's usage above of the word "State," by which he meant something very different from "government." A "State" was very close to what we call a "community"–a natural, geographically defined social grouping, whose members spontaneously formed relationships of mutuality with one another, and most likely united federatively on a larger scale.

*Wherever men, together with their wives and children, gather together in one place, dwell together and cultivate their land in common, developing between them various industries, establishing relations of neighborliness, and, whether they like it or not, making themselves mutually dependent, they form what I call a natural group. This will soon become a State or political organization which asserts its unity, its independence, its own life or self-movement (**autokinesis**) and its autonomy.*

> *Groups of the same kind, at some distance from each other may have common interests. One can understand that they may... join together in association and through this mutual assurance form a larger group, but never that when they unite in order to guarantee their interests and to increase their wealth they should go so far as offering themselves up as a kind of self-sacrifice to this new Moloch... All these groups... are States, that is, indestructible organisms. There may very well be a new kind of legal tie between them, namely, a contract of mutuality, but they can no more strip themselves of their sovereign independence than the member of a State, because he is a citizen, can lose the prerogatives of a free man, producer and property owner.* [**Political Contradictions** (1863-64), in Edwards 118]

And we mustn't forget that the "State" Proudhon referred to wasn't a sovereign, coercive authority imposed from the top down; it was a kind of relationship between free human beings.

> *...the machinery of government... results not from some fictitious agreement, thought up to satisfy the republic and withdrawn as soon as it has been made, but from a real contract in which, instead of being absorbed into a central majesty, both personal and mystical, the individual sovereignty of the contracting parties acts as a positive guarantee of the liberty of States, communes and individuals.*
>
> *We have then, not an abstract sovereignty of the people..., but an effective sovereignty of the working, reigning, governing masses. This is seen in welfare organizations, then in chambers of commerce, guilds of arts and crafts, and workingmen's associations, in exchanges and markets, academies and schools, agricultural associations, and finally in electoral meetings, parliamentary assemblies and the Councils of State, in the National Guard and even in churches and chapels. In all places and all cases the same* ***collective force*** *is at work acting for and through the principle of mutuality, which is the ultimate affirmation of the rights of man and of the citizen.*
>
> *In this the working masses are truly, positively and effectively sovereign. Indeed, how could it be otherwise if they are in charge of the whole economic system including labor, capital, credit, property and wealth.* [**Political Capacity of the Working Classes** (1865), in Edwards 116-117]

(The parliamentary assemblies and Councils of State, presumably, are considerably idealized). And we should bear in mind that for Proudhon anarchism was an ideal to be more or less closely approximated, with every step in the right direction deserving support; he did not take an "abolitionist" attitude toward the state.

In two works, **General Idea of the Revolution in the Nineteenth Century** (1851)**,** and **The Federative Prinicple** (1863)**,** Proudhon developed at length his theme of the absorption of the political into the economic, with the functions of the government being taken over by society. Two principles were central to the organization of society in the post-political era: contract and federation. By means of them, all social functions could be carried out by voluntary association, with individuals retaining full sovereign rights within themselves.

> *The political contract does not attain its full dignity and morality except where... it is* ***synallagmatic*** [i.e., when the contracting parties undertake reciprocal obligations]

*and **commutative*** [when the exchange involves goods or services of equal value], *if it is confined, in its objects, within definite limits... Can one say that in a representative and centralized democracy... the political contract binding the citizen to the state can be equal and reciprocal?...*

*In order for the political contract to become synallagmatic and commutative as the idea of democracy requires, ...the citizen who enters the association must 1/ have as much to gain from the state as he sacrifices to it, 2/ retain all his liberty, sovereignty, and initiative, except that which he must abandon in order to attain that special object for which the contract is made, and which the state must guarantee. So confined and understood, the political contract is what I shall call a **federation**.*

Federation is an agreement by which one or more heads of family, one or more towns, one or more groups of towns or states, assume reciprocal and equal commitments to permorm one or more specific tasks, the responsibility for which rests exclusively on the officers of the federation. [**The Principle of Federation** 37-38]

Proudhon took the idea of the social contract literally, not as a justification for state authority, but as a reciprocal relation between citizens into which the government never entered. It was not, as with Rousseau, an alienation of authority; the citizen never parted with his sovereignty.

What really is the Social Contract? An agreement of the citizen with the government? No, that would mean but the continuation of [Rousseau's] *idea. The social contract is an agreement of man with man; an agreement from which must result what we call society. In this, the notion of **commutative justice**, first brought forward by the primitive fact of exchange, ...is substituted for that of **distributive justice**... Translating these words, contract, commutative justice, which are the language of the law, into the language of business, and you have commerce, that is to say, in its highest significance, the act by which man and man declare themselves essentially producers, and abdicate all pretension to govern each other.*

Commutative justice, the reign of contract, the industrial or economic system, such are the different synonyms for the idea which by its accession must do away with the old systems of distributive justice, the reign of law, or in more concrete terms, feudal, governmental or military rule. [**General Idea of the Revolution in the Nineteenth Century** 112]

The contract left individuals otherwise free in every area not covered by its specific terms.

The contract is therefore essentially reciprocal, it imposes no obligation upon the parties, except that which results from their personal promise of reciprocal delivery; it is not subject to any central authority... [Ibid. 113-114]

Proudhon expanded this basic idea of the commutative contract to embrace society as a whole:

The Social Contract is the supreme act by which each citizen pledges to the association his love, his intelligence, his work, his services, his ggods, in return for the affection, ideas, labor, products, services and goods of his fellows; the measure of the right of each

being determined by the importance of his contributions, and the recovery that can be demanded in proportion to his deliveries.

Thus the social contract should include all citizens, with their interests and relations…

We may add that the social contract of which we are now speaking has nothing in common with the contract of association by which… the contracting party gives up a portion of his liberty, and submits to an annoying, often dangerous obligation, in the more or less well-founded hope of a benefit. The social contract is of the nature of a contract of exchange: not only does it leave the party free, it adds to his liberty; not only does it leave him all his goods, it adds to his property; it prescribes no labor; it bears only upon exchange… [Ibid. 114-15]

His ultimate vision for society was "*the notion of Contract succeeding that of Government…*" [Ibid. 126] Again, the state was to wither away, and the political was to be absorbed into the economic:

It is industrial organization that we will put in place of government…

In place of laws, we will put contracts.–No more laws voted by a majority, or even unanimously; each citizen, each town, each industrial union, makes its own laws.

In place of political powers, we will put economic forces… [Ibid. 245-46]

In a statement that brings to mind the Wobbly slogan "building the structure of the new society within the shell of the old," Proudhon used this vivid imagery:

Beneath the governmental machinery, in the shadow of political institutions, out of the sight of statesmen and priests, society is producing its own organism, slowly and silently; and constructing a new order, the expression of its vitality and autonomy… [Ibid. 243]

Proudhon's evolutionary approach to achieving a mutualist society was one point of contention between him and Marx. In a letter to Marx not long before their falling out, he wrote:

Perhaps you still hold the opinion that no reform is possible without a helping ***coup de main****, without what used to be called a revolution… I do not think that this is what we need in order to succeed, and consequently we must not suggest* ***revolutionary*** *action as the means of social refom because this supposed means would simply be an appeal to force and to arbitrariness… I put the problem in this way:* ***How can we put back into society, through some system of economics, the wealth which has been taken out of society by another system of economics?*** [Proudhon to Marx, May 17, 1846, in Edwards 151]

A revolution, if and when it did occur, would not be a Jacobin-style revolution from above, but the product of the long-term activity and consciousness of the working class.

A social revolution, such as that of '89, which working-class democracy is continuing under our eyes, is a spontaneous transformation that takes place throughout the body politic. It is the substitution of one system for another, a new organism replacing one

> *that is outworn. But this change does not take place in a matter of minutes… It does not happen at the command of one man who has his own pre-established theory, or at the dictate of some prophet. A truly organic revolution is a product of universal life… It is an idea that is at first very rudimentary and that germinates like a seed; an idea that is at first in no way remarkable since it is based on popular wisdom, but one that… suddenly grows in a most unexpected fashion and fills the world with its institution.* [**Political Capacity of the Working Classes**, in Edwards 177]

Proudhon did not propose to abolish privilege through government decree, as did the state socialists.

> *I protest that when I criticized property, …I never meant to attack the rights of the individual as they were recognized by existing laws, nor to contest the legitimacy of acquired possessions, nor to cause goods to be shared out arbitrarily, nor to prevent property from being freely and regularly acquired through sale and exchange, nor to forbid or suppress, by sovereign decree, ground rent and interest on capital.*
>
> *I believe that all these forms of human activity should remain free and optional for all. I allow no other modifications, restrictions or suppressions than those which are the natural, inevitable result of the application of the principle of reciprocity…* [**Solution of the Social Problem** (1848-49), in **Selected Writings** 76]

Instead, he favored abolishing the state laws and guarantees on which rent, interest, dividends, and other forms of increase on property depended. He collectively called them "*aubaine*," arguing that it was "*such an integral part of property that where it does not exist, neither does property.*" [**Theory of Property**(1864-65), in **Selected Writings** 125]

His method was to "*organize… the economic forces,*" and at the same time to

> "*dissolve, submerge, and cause to disappear the political or government system in the economic system, by reducing, simplifying, decentralizing and suppressing, one after another, all the wheels of the great machine, which is called Government or the State.*" [**General Idea of the Revolution** 133]

Proudhon followed this statement with a lengthy political program, in the rest of part five of **General Idea of the Revolution**, to eliminate interest on credit through a bank of exchange, and to achieve land reform by applying all future rent payments toward land purchase.

Like Owen, and like the later American individualists, Proudhon strongly emphasized the role of the financial system in maintaining privilege. Consequently, a libertarian system of finance was central to his vision of mutualism, and a central means of achieving a mutualist society. He summarized his doctrine in this way:

> *That man is freely provided with raw materials by nature; That therefore in the economic order all products are the result of labor and all capital is unproductive; That as all credit transactions can be reduced to a form of exchange, capital loans and discounts cannot and must not bear interest.*["**Article 9 of the People's Bank,**" in **Solution of the Social Problem** (1848-49), Edwards 76]

Proudhon saw credit primarily as a way to make exchange possible, and opposed the system of privilege by which banking monopolies were able to charge a premium, in the form of usury, for performing this service.

> *When two producers do not need each other's surplus products, they cannot engage in direct exchange. Instead, each must sell his product for money and then buy what he needs, from third parties.*
>
> *What then must we do in order to allow direct exchange to take place–not simply between three, four, six, ten or a hundred people, but between a hundred thousand, or between all the producers and consumers in the world?*
>
> *...We must centralize all commercial transactions by means of one bank that will receive all the bills of exchange, money orders and promissory notes which represent the traders' invoices. Then we must generalize or convert these liabilities into vouchers that would be their equivalent and that consequently would be guaranteed by the products or real values that these liabilities represent...*

There would be no problem of over-issuing since the voucher would only be delivered in exchange for bills of the first quality, that is to say, when there is a genuine and certain promise to repay. [**Solution of the Social Problem, Selected Writings** 74-75]

In this passage, he sounds very much like Owen and the English mutualists, and anticipates Warren, Greene and Tucker.

Proudhon's main venture into mutualist practice was the "People's Bank," an attempt at putting mutualist ideas of finance into concrete form. It was officially incorporated in January 1849, in the aftermath of the February Revolution of 1848. Although he failed to raise the capital of 50,000 francs which he considered necessary for it to function, it had 27,000 members before it was forced to close a few months later. Its members were mainly individual craftsmen or workers in associations. [**Selected Writings**, 75n] He described its aim as

> *...to rescue the working masses from capitalist exploitation. Consequently* [I] *had to try and reduce the interest on capital so that it represents simply the expenses which are necessary for running the People's Bank, that is to say, the wages of its employees plus the expenses covering the risks inherent in any operation of this kind.* [**Solution of the Social Problem**, in **Selected Works** 80]

Unlike the collectivist strains of social anarchism, Proudhon's mutualism did not pursue collectivism for its own sake. Rather, it envisioned organization on the smallest scale feasible, with ownership by individual artisans whenever possible. Association was to be pursued only when large-scale organization was required by the technical nature of production.

> *While we are considering association, let us note that mutualism intends men to associate only insofar as this is required by the demands of production, the cheapness of goods, the needs of consumption, the cheapness of goods, the needs of consumption and the security of the producers themselves, i.e. in those cases where it is not possible for the public to rely on private* [individual] *industry, nor for private industry to accept the responsibilities and risks involved in running the concerns on their own...* [Because

the persons concerned] *are acting in accordance with the very nature of things when they associate in this way, they can preserve their liberty without being any the less in an association…*

There is undoubtedly a case for association in the large-scale manufacturing, extraction, metallurgical and shipping industries… [**Political Capacity of the Working Classes,** in **Selected Writings** 62]

The same priniciple applied to transportation infrastructure, such as railways. Such services should be provided neither by capitalist "companies holding a monopoly," or "State-run concerns that operate in the name of the State and for the State." Proudhon thus presented mutualization of public services as an alternative both to "privatization" and state socialism.

This guarantee can be given only by free members of an association who have obligations both to the public, through the contract of mutuality, and to each other, through the normal contract of association. [Ibid. 62]

In addition, association between small producers was a way of pooling the cost of access to certain expensive services or equipment.

The aim of industrial and agricultural co-operatives, including workers' associations where these can usefully be formed, is not to substitute collectivities for individual enterprise… It is to secure for all small and medium-sized industrial enterpreneurs, as well as for small-property owners, the benefit of discovering machines, improvements and processes which would otherwise be beyond the reach of modest firms and fortunes. [**Theory of Property** (1863-64)**, Selected Writings** 63]

In other words, Proudhon did not, like too many collectivist or communist anarchists, treat collectivism as an aesthetic ideal. Such anarchists generally insist that the collective exists to further the liberty of the sacred individual, and that they have no objection to individual and small group enterprise so long as there is no wage labor. Still, all too often their toleration of such activity carries with it the general air of Ingsoc's distaste for "ownlife."

In a passage in **System of Economical Contradictions**, Proudhon ridiculed the notion of nationalizing industry. He presented the example of state tobacco monopoly, put forward by some as evidence for "*the industrial capacity of the State, and consequently of the possibility of abolishing competition altogether*," as evidence of just the reverse:

How much does the tobacco sold by the administration cost? How much is it worth? You can answer the first of these questions: you need only to call at the first tobacco shop you see. But you can tell me nothing about the second, because you have no standard of comparison and are forbidden to verify by experiment the items of cost of administration… Therefore the tobacco business, made into a monopoly, necessarily costs society more than it brings in; it is an industry which, instead of subsisting by its own product, lives by subsidies…

He went on to cite the "*hierarchical organization of its employees, some of whom by their salaries are made aristocrats as espensive as they are useless, while others, hopeless receivers of petty wages,*

are kept forever in the position of subalterns." [232-33] Social democrats who identify state ownership with "socialism" should take note. As in a passage quoted earlier, Proudhon seems to foreshadow Mises in seeing market competition as necessary for rational calculation.

Although Proudhon himself was at best ambivalent about trade unions, he had a profound influence on the rise of the syndicalist movement. He expressed hostility to the ideas of collective bargaining and the strike, and opposed to them his evolutionary and legal views of achieving mutualism.

> *At present the working classes, rejecting bourgeois practices and turning eagerly toward a higher ideal, have conceived the notion of a guarantee that would liberate them both from the risk of depreciation of prices and wages, and from the deadly remedy of workers' combinations. This guarantee consists partly of the principle of* ***association****, through which all over Europe they are preparing to organize legal workers' companies to compete with bourgeois concerns, and partly of the more general and more widespread principle of MUTUALISM, through which working-class Democracy, putting a premium on solidarity and groups, is preparing the way for the political and economic reconstruction of society...*
>
> *Thus I have the right to reproach the workers... and to ask why, when they support the notions of association and mutualism, they have abandoned their generous, revitalizing IDEA that must carry the common people well beyond the old forms of aristocratic and bourgeois society, and why they have suddenly revealed a certain hostility for their masters...* [**Political Capacity**, in Edwards 180-81]

The last sentence may be a clue as to why he failed to embrace trade unionism. Proudhon tended to view the existence of class society, not as the result of deliberate class antagonism by the ruling class, but as a function of insufficiently developed enlightenment. Exploitation was the effect of error, and the remedy was the further development of moral knowledge. He often quoted from the law codes for authoritative statements, and believed that the law reflected not primarily class interest, but the level of understanding that humankind had reached to date. The solution to class rule and privilege was not an organized movement to dispossess the ruling classes against their will, but the progress of general enlightenment and education.

> *The proprietors* ***wilfully*** *guilty of the crime of robbery! Never did that homicidal phrase escape my pen; never did my heart conceive the frightful thought. Thank Heaven! I know not how to calumniate my kind; and I have too strong a desire to seek for the reason of things to be willing to believe in criminal conspiracies. The millionaire is no more tainted by property than the journeyman who works for thirty sous per day. On both sides the error is equal...* [**What is Property?** 425-426]

This point of view is unfortunate. A reformer who attempts to "educate" the exploiters out of pursuing their material self-interest is likely to be disappointed. The "workerism" of Marx, setting the industrial proletariat as a "progressive" class above all other producers, is indeed a mistake; so is the vulgar Marxist tendency to analyze history mechanically in terms only of class and the mode of production, or to see ideology as conspiratorial rather than sincere. But to see our goals purely in terms of enlightening "society" as a whole, while failing to take class antagonism into account as a basic reality, is equally a mistake.

At the same time, Proudhon's views coincide in many ways with the syndicalist critique of trade unionism. For example, he opposed the closed shop (by which "*employers are not allowed to take on any man if it is against the wishes of the members of the union*") as a form of monopoly. And he questioned the value of conventional strikes to the workers, since they enabled the employer to lock out his work force until they exhausted their means of subsistence, at the cost to himself of only the lost profit of a few weeks. [**What is Property?** 181-82] Both sentiments resemble the positions of the IWW and other syndicalist unions.

It is doubtful, however, that Proudhon would have supported the syndicalist alternative of direct action to achieve workers' control, against the will of the capitalists. His personal reaction to the voluntaristic excesses of Jacobinism was too strong. Although he was correct in favoring a gradual and open-ended process of evolution toward mutualism within the present society, he failed to foresee that the process might eventually reach an impasse in which the owning classes refused to allow the process to advance further. Such an impasse would be a revolutionary crisis, in which the only way to further progress would be the defeat of ruling class obstruction.

In any case, Proudhon's thought was a powerful contributing factor to the rise of syndicalism. Many of his passages on the principles of worker's association and federation, as the basis for organizing a future society, sound very much like the anarcho-syndicalist vision of the future. His views on the growth of a mutualist society within the existing society, and of the gradual absorption of the political by the economic, sound a lot like the Wobbly idea of "building the structure of the new society within the shell of the old." The Movement for Anarchy's article, "**Anarcho-Syndicalism,"** argues that the syndicalists "*were developing Proudhon's concept of mutualist institutions evolving within the society they would eventually replace.*" Richard Gombin argued that the anarcho-syndicalist movement was influenced by Proudhon's "*conception of redemptive work...*" ["**Ideology and Practice of Contestation"**] And Proudhon was one of the chief influences on Sorel's intellectual development. The CGT, the French labor federation, was dominated by Proudhonians in the first decades of the twentieth century. [Gambone, **Revolution & Reformism**]

Proudhon anticipated the arguments of contemporary mutualists in favor of "mutualizing"–as opposed to either nationalizing or privatizing–social services. In his opinion the only legitimate role of the state was of "*legislating, initiating, creating, beginning, establishing; as little as possible should it be executive...*"

> *Once a beginning has been made, the machinery established, the state withdraws, leaving the execution of the new task to local authorities and citizens...*
>
> *I understand... that the state must intervene in... major public utilities* [transportation, communications]*; but I cannot see any need to leave them in the hands of the state once they have been initiated... In 1848 I called for the state to intervene in establishing national banks, credit, savings and insurance institutions... It never entered my head that once the state had completed its task of creation it would stay in the banking, insurance, and transportation business.*
>
> *Nor do I except even military service from this argument; militias... pass into the hands of federal authorities only in time of war, and only for the purposes of war; otherwise, soldiers and arms remain under the control of local authorities.* [**The Principle of Federation** 45-47]

We should note here that Proudhon used the term "state" in an equivocal sense. On the one hand, he referred here and elsewhere to the state in the libertarian sense of a federal body with no inherent power besides the delegated administrative powers assigned to it by sovereign social bodies. But on the other, as he indicates in the reference to 1848, he sometimes (unfortunately) relied on the existing French state, not only to eliminate legal guarantees to privilege, but actually to implement mutualist reforms. Nevertheless, the examples he gives are applicable to the contemporary project of dismantling functios of the state, not by "privatizing" and selling it off to capitalist corporations, but to decentralizing control to neighborhoods, localities and voluntary associations. "*Let each household, each factory, each association, each municipality, each district, attend to its own police, and administer carefully its own affairs, and the nation will be policed and administered.*" [**General Idea of the Revolution** 273]

This principle of mutualization finds one of its best illustrations in Proudhon's views on education. His speculations on educational arrangements allowed for a level of decentralization and direct popular control that went far beyond the pretense of democracy in today's American school systems (actually bureaucratic fiefdoms more subject to educrats in the state and federal departments of education, and the "professional" culture of teachers, than to elected school boards).

> *The next question is of schools. This time there is no idea of suppression, but only of converting a political institution into an economic one...*
>
> *A community needs a teacher. It chooses one at its pleasure... The only thing that is essential is that the said teacher should suit the fathers of families, and that they should be free to entrust their childred to them or not.* [Ibid. 273]

He envisioned education primarily by home-schooling parents, private schools, or schools run by the local communes, with the "State" (i.e., federative) education system carrying out only those functions beyond the resources of the commune. His provisions for technical training relied heavily on cooperation with the workers' associations.

> *Workers' associations have a very important role to play here. Linked to the system of public education, they will become both centers of production and centers for education. Fathers will continue to supervise their children. The working masses will be in daily contact with the youthful army of agricultural and industrial workers. Labor and study, which have for so long and so foolishly been kept apart, will finally emerge side-by-side in their natural state of union.*

Proudhon described the school, in this system of apprenticeship, as "*the bond between the industrial associations and families.*" This system, with its breakdown of the barrier between the institutionalized education and the rest of life, sounds quite a bit like Illich's ideas of "deschooling." [**On the Political Capacity of the Working Classes** (1865), in **Selected Works** 86-87; **General Idea of the Revolution** 274]

No account of the origins of mutualist thought can be complete without some reference to Josiah Warren. He stands alongside Proudhon and Owen as one of the three leading figures of the movement. Warren was initially a follower of Owen, and strongly influenced by his experiences with the Owenite colony of New Harmony. He first heard Owen speak in 1825, and was involved

in drafting the constitution of the New Harmony Community of Equality. [Martin, **Men Against the State** 7] He soon deviated considerably from Owenism, based on the lessons he learned from the failure of New Harmony. Warren blamed the result on the exaltation of the community at the expense of the individual.

> *Not only was individual initiative stifled by failure to provide a place within the structure for personal rights and interests beyond the sphere of religious matters, but the elimination of individual property rights resulted in almost total dissipation of responsibility for the occurrence of individual incapacity, failure, and short-comings of other kinds... He had noted that the expressions of natural differences of opininion were increasingly looked upon as unfortunate developments and obstacles to success, which had damaging effect on the continuance of courtesy and tolerance.* [Ibid. 9]

Warren himself gave a wry account of the fiasco from the vantage point of 1856:

> *It seemed that the difference of opinion, tastes and purposes* ***increased*** *just in proportion to the demand for conformity. Two years were worn out in this way; at the end of which, I believe that not more than three persons had the least hope of success. Most of the experimenters left in despair of all reforms, and conservatism felt itself confirmed. We had tried every conceivable form of organization and government. We had a world in miniature. We had enacted the French revolution over again with despairing hearts instead of corpses as a result... It appeared that it was nature's own inherent law of diversity that had conquered us... our "united interests" were directly at war with the individualities of persons and circumstances and the instinct of self-preservation... and it was evident that just in proportion to the contact of persons or interests, so are concessions and compromises indispensable.*

Based on these observations, Warren took his Owenism in the direction of what was to be individualist anarchism. [Ibid. 10]

Warren viewed the central folly of New Harmony as the combination of interests, which could not succeed without an authoritarian government to enforce artificial harmony. Instead, he proposed *"a system based on voluntary cooperation, but at no place rising above any individual within its structure..."* {Ibid. 13-14] In Warren's own words,

> *Society must be so converted as to preserve the SOVEREIGNTY OF EVERY INDIVIDUAL inviolate. That it must avoid all combinations and connections of persons and interests, and all other arrangements which will not leave every individual at all times at liberty to dispose of his or her person, and time, and property in any manner in which his or her feelings or judgment may dictate. WITHOUT INVOLVING THE PERSONS OR INTERESTS OF OTHERS.*[**Practical Details in Equitable Commerce** (1852), in Ibid. 14]

Warren stated the principle in a more extreme form, in his slim volume **Equitable Commerce** (revised 1852 edition):

*If governments originate in combined interests, and if government and liberty cannot exist together, then the solution of our problem demands that there be NO COMBINED INTERESTS TO MANAGE. All interests must be individualized–all responsibilities must be **individual**, before men can enjoy complete liberty or security, and before society can be completely harmonious…*

*When one's person, his labor, his responsibilities, the soil he rests on, his food, his property, and all his interests are so **disconnected**, **disunited** from others, that he can control or dispose of them at all times, according to his own views and feelings, without controling or disturbing others; and when his premises are sacred to himself, and his person is not approached, nor his time and attention taken up, against his inclination, then the individual may be said to be practically SOVEREIGN OF HIMSELF…* [60-61]

In this form, Warren's individualism militated against the most basic and necessary forms of joint action. In his ideas (expressed in **Equitable Commerce**) for labor accounting within the enterprise, and the severability of individual interests, his views sometimes resembled the nuttiness of 1990s management-theory gurus about "internal markets" within the corporation, dissolving the firm as a collective entity and transforming all internal transactions into contractual or exchange relationships. According to James Martin, Warren seemed only vaguely aware of the problems presented by highly capitalized joint enterprises for machine production, when one tried to rely entirely on internal bartering and labor exchange rather than collective ownership. [**Men Against the State** 37-38]

Warren continued to endorse enthusiastically the Owenite idea of cooperation–"*the proposal to exchange all labor employed in the production of goods and services equally, hour for hour, substituting for the state or privately controlled currency based on metallic commodities a circulating medium consisting of 'labor notes.'*" [Ibid. 11] This principle was the basis for his Cincinnati Time Store and its offshoots, detailed below in the section on organization.

Warren's practice of labor exchange was based on the assumption that the individual had an absolute sovereignty over "*the entire production or material results of one's own labor…*" Since land and raw materials were not the product of human labor, they should be freely available to the occupier–"*no more fit subjects for monopoly and sale than sunshine or air*"–and not enter into the cost of goods and services. The consequent labor-based system of exchange reflected the common anarchist assumption, as James Martin put it, "*that wealth can be obtained in only two fundamental ways, either by producing it or by taking it from its producer, they maintain that one of these latter actions in involved in all inequitable exchanges.*"{Ibid. 14-15] On the issue of land, Warren argued:

The greatest crime which can be committed against society and which causes poverty and lays the foundation of almost all other crimes is the monopoly of the soil: this has not only been permitted but protected or perpetrated by every government of modern times up to the last accounts from the congress of the United States. [**Peaceful Revolutionist** I (April 5, 1833), in Martin 34].

Land being bought and sold on [the cost] *principle, passes from owner to owner with no further additions to prime cost than the labor of buying and selling it. If improvements have been made upon it, their **cost** only being made, makes the natural wealth free and accessible to all without price.* [**Equitable Commerce** 74]

He applied this principle likewise to "*metals in the earth*." [Ibid. 75]

Because Warren's experiments had to coexist with the legal framework of a capitalist society, he was forced in practice to accomodate his ideas on land ownership to the existing system. Although he attacked land titles in principle, he nevertheless accepted existing divisions of property, so long as all sales after the original purchase were at "prime cost" plus expenses of improvements, surveying, drawing up contracts, taxes, etc. [Martin 54]

Warren was nevertheless willing, in his personal behavior, to pursue matters of principle to the sacrifice of his pecuniary self-interest. In regard to the theory of land tenure, his ethical standards led him to

> *the relinquishment of eight valuable blocks of property in Cincinnati. With Warren to think was to act... The property, which was in the business district of Cincinnati, was rapidly increasing in value by virtue of its location, to such an extent, in fact, that Warren would have amassed a large fortune had he held it. Instead he returned the lease to the man from whom he had secured it because he condemned unearned increase in land as much as he did profit in industry.* [Schuster, **Native American Anarchism** 104-105]

Warren shared with Owen and Proudhon the belief that the lack of an equitable medium of exchange was central to the problem of poverty among the producing classes. If the producer could immediately convert the labor embodied in his product into a medium of exchange, without depending on vested interests to provide currency and credit at a monopoly price, his standard of living would be limited only by his willingness to work. He favored a system based on "the cost prinicple," i.e., based on cost in labor, rather than a "value" based on supply and demand. Warren's comments on these matters are worth quoting at length:

> *...if* [one] *could always get* [goods] *for that amount of his own labor which they cost an expert workman, he could have no motive to do without them...*
>
> *Now, if it were not a part of the present system to get a price according to the degree of want or suffering of the community, there would long since have been some arrangement made to ADAPT THE SUPPLY TO THE DEMAND...*
>
> *In society where even the first element of value order had made its way to the intellects of men, there would be some point at which all would continually make known their wants, ...and put them in a position to be supplied–and all who wanted employment would know where to look for it, and the* ***supply would be adapted to the demand****. We should not then have* ***all*** *the flour carried* ***out of the country where it was raised****, so that none could be had..., and carried a thousand miles in anticipation of higher prices...*
>
> *Another great obstacle to division and exchange is the lack of some* ***principle****by which to settle the prices, or which would itself settle them harmoniously, instead of the disgusting process of* ***bargaining*** *in every little transaction... Gratuitous labor must necessarily be limited, and thousands of exchanges of great* ***value****, but little* ***cost****, would immensely increase the comforts of all parties, where COST, as* ***a principle****, measured and settled the price in every transaction...*

> *Another great obstacle to the development of this branch of the economy, is the uncertainty, the* ***insecurity*** *of every business... If prices were equitably adjusted to the COST principle, we should know, from year to year... the prices of every thing... Markets would be steady...*
>
> *Another great obstacle to extensive division of labor, and rapid and easy exchanges, seems to be the want of the means of* ***effecting*** *exchanges...*
>
> *...Where every one has plenty of a circulating medium always at hand, exchanges and division of labor would not be limited for want of money. A note given by each individual for his own labor, estimated by its cost, is perfectly legitimate and competent for all the purposes of a circulating medium.*[**Equitable Commerce** 63-68]

Warren saw labor currency as leading to the eventual extinction of banks and bankers. "*All money and bank notes as now known and used, act as drafts or demands upon labor and they are all issued by those who do not labor.*" Warren had no room in his vision for an order of things in which non-productive elements shared in the products of labor. [**Herald of Equity** I:7, in Martin 41]

At some point after his return to Boston in 1848, Warren became acquainted with William B. Greene, who did more than anyone else to work out the theory of mutual banking. In 1850, according to Greene, Warren was cosigner of an (unsuccessful) petition to the Massachusetts General Court asking permission to establish a mutual bank. [Martin 65]

One thing was sorely lacking in Warren's thought. He saw, as the only alternative to the existing system, the voluntary adoption of an artificial and cumbersome accounting system like labor notes. The issue was further complicated by attempts to incorporate "repugnance" and intensity as factors in figuring labor-time, "*perennial vexations to labor cost theorists...*" [Martin 41]

Warren failed to consider the possibility that the extent to which price deviates from labor cost is a result of statist intervention in the economy. The later individualists remedied this defect. As Tucker argued, the removal of statist privilege was the only thing needed for an unfettered market to automatically tie price to labor cost. Even those who continued to believe that one hour's work equaled another hour's work, like Tucker, did not see an arbitrarily labor-based currency as necessary to accomplish this result.

Besides his attacks on privilege as reflected in landlordism and money-monopoly, Warren also opposed patent rights. An inventor should be compensated only for his effort, the labor cost entailed in developing his invention, and not its value (i.e., the price he could gouge from the public). [Ibid. 75]

In his views on money, land and patents, we have the germs of the theory of privilege and exploitation that was later systematically developed by Tucker. Eunice Minette Schuster, in **Native American Anarchism**, repeatedly referred to Warren and the other Individualists as "non-class conscious." But that is really inaccurate. They were simply not class conscious in Marxian terms. Warren described society as approaching a revolutionary crisis in the conflict between labor and its exploiters.

> *Society has been in a state of violence, of revolution and suffering, ever since its first formation; and at this moment, the greatest number are about to array themselves against the smaller, who have, by some subtle and hidden means lived luxuriously upon their*

> *labor without rendering an equivalent... The grinding power of capital is everywhere felt to be irresistible by ordinary means–the right of the strongest begins to be openly admitted to a frightful extent, and many of the best minds look forward to an age of confusion and violence, with the confidence of despair. The cry of misery and the call of remedy are heard from all quarters.* [**Equitable Commerce**, Introduction]

The real difference between Warren and Marx, as James Martin pointed out, was that instead of analyzing class conflict in terms of capitalist vs. industrial proletarian, Warren saw it in native American populist terms of producer vs. parasite. [**Men Against the State** 48]

Part of Warren's critique of the state was his belief that any government was inevitably one of men rather than laws. Because language was by nature inexact and depended on subjective interpretation, constitutions and other legal instruments in practice meant whatever the officials executing and interpreting wanted them to mean. It was therefore impossible to surrender only part of one's liberty. The distinction between "delegated" and "reserved" powers was meaningless. [**Peaceful Revolutionist** I (April 5, 1833), in Martin 34; Martin 52]

And Warren also tended more toward Proudhon than Marx in his belief in evolutionary means. He apparently envisioned mutualist practice spreading by education and example, and gradually growing within the existing society until it achieved predominance and supplanted capitalism. For example,

> *it had long been a contention of Warren's that origins of a decentralist colony along his lines should always be made near a large city, with the unabashed intention of using the older community as a prop until the economy of the new community was a functioning reality.* [Martin 66]

Warren's views on education, like Proudhon's, in places resemble later libertarian ideas of "de-schooling." He favored extreme decentralization and individualism, and saw education as a process by which the individual taught the skills he would need to live his life. He opposed barriers to voluntary labor by minors, arguing for their employment at the same rate of labor-time compensation as adults. Instead of empowering schools to inflict arbitrary punishment, Warren would have left pupils, like everyone else, to learn from the "natural rewards and punishments of their conduct..." [Martin 35]

Besides Warren's own writings, his ideas were popularized in the work of his contemporary, Stephen Pearl Andrews. His **Science of Society** (1852) not only disseminated Proudhon's ideas, but tried to synthesize a theory of labor notes based on time, skill and "repugnance." [Schuster, op. cit., 110] His theory of labor notes was also taken up and promoted by William Beck of Cincinnati in his 1839 book **Money and Banking.** [Ibid. 112]

After Warren, individualism developed in several mutually reinforcing strands.

> *The literature of anarchism now incorporated the efforts of not only Warrenite disciples such as Stephen Pearl Andrews and Ezra Heywood but also more distant and independent associates, William B. Greene, J. K. Ingalls and Lysander Spooner, whose anti-statist sentiments took divergent paths but retained the same spirit.* [Martin 103]

Heywood, of Westminster, Mass., first met Warren in Boston in 1863. He went considerably beyond Warren in his social radicalism. After coming into contact with the Worcester Labor Reform

League, formed in August 1867, he developed an affinity for the labor movement. It "*unofficially affiliated for a time*" with William Sylvis' National Labor Union, which Martin described as "*the first noteworthy post-Civil War labor organization.*" Heywood attended the New York Congress of the NLU in September 1868. His Warrenite individualism left him with reservations about the possibility for permanent gains through labor combination, however. [Ibid. 106]

In an 1868 address later published as **The Labor Party,** he tied class rule to the exploitation of labor, in language that suggested he had not yet finally renounced the idea of political action:

> *No one will deny that labor is entitled to its earnings, and that it is the duty, both of individuals and society, ...to render unto all men and women according to their works. Let us also bear in mind that class rule, the centralizing of political or financial power in the hands of few, to the injury of many, is wrong, and that law... should cover with the shield of its protection the whole people, especially defenseless workers. It is the violation of these simple, self-evident truths which provokes the widespread, profound and ominous agitation called the labor movement.*

The labor movement was a proper response to a "wrong side up" society in which the producing classes did not enjoy the product of their labor. Because capital controlled finance and the means of production, not to mention the press and pulpit, it could sit back and wait for recalcitrant workers to starve, without any word of rebuke from mainstream society. "*But if labor, obedient to a sterner necessity, demands more pay, the air swarms with 'strike,' 'dictation,' 'force,' 'riot,' "insurrection," and many other epithets of rebuke...*" And most importantly, government enforcement of privilege was at the root of the problem: "*Through cunning legislation, ...privileged classes are allowed to steal largely according to law.*" [Ibid. 106-07]

Because of his ambivalence on political action, and his loyalty to the NLU, Heywood in **Labor Party** proposed what James Martin called "*a patchwork of anarchist economics and piecemeal expedients favored by union councils.*" He placed a great deal of emphasis, however, on the issues of "free banking and a labor currency," which he and his Worcester comrades had focused on independently.

> *Gold has served the plundering instincts of the stock exchange for too well; it is too efficient a weapon... to be longer tolerated as the money of a free and enlightened people... Let us have an American currency–perhaps a day's labor will be the unit of reckoning... but the least we can demand is that money shall represent the visible results of labor; that at least two dollars in real estate shall be pledged by mortgage for every paper dollar issued.* [Ibid. 108]

By 1869 Heywood's ambivalence on the political issue had turned into total rejection. He and a number of his associates, meeting in Boston, organized the New England Reform League. Formed in response to the death of Sylvis and the failure of the NLU, the League abandoned conventional "labor" views for an increasingly strict anarchism, "*resulting in its moving to the extreme left and remaining there for its 25 years of existence.*" [Ibid. 108]

It was at this point that Heywood came into contact with the money reformer William B. Greene. Greene associated himself with the NELRL, and helped push it in the direction of anarchism. The two issued a **Declaration of Sentiments** of the league. The document called, as its

principal aim, for the "*abolition of class laws and false customs, whereby legitimate enterprise is defrauded by speculative monopoly, and the reconstruction of government on the basis of justice and reciprocity...*" The means was to be abolition of all privileges depending on state intervention:

> *Free contracts, free money, free markets, free transit, and free land–by discussion, petition, remonstrance, and the ballot, to establish these articles of faith as a common need, and a common right, we avail ourselves of the advantages of associate effort.*

"Free land" meant that natural resources should provide no income, and price should be reduced to labor cost. Poverty resulted from "*the claim to own and sell what one has not earned*" through rent, profit, and interest. The **Declaration**, as Martin pointed out, did not specify the mechanism by which the government enabled privileged classes to live off unearned income. [Martin 109-110]

In the ensuing period, Heywood published a series of small books and pamphlets in the Princeton press, continuing to work out the details of the individualist theory of privilege. In so doing, he contributed to the general intellectual climate of individualism, on which Tucker was to draw. In **Yours Or Mine** (1869), he echoed Warren's argument for property ownership based on occupancy and use. The owner was entitled to get back only the value of the labor tied up in his improvements. [Ibid. 110-111]

In the same work he argued against exclusive currencies and legal tender laws as another cause of inequality in wealth. Legal tendency was a "class currency" because it didn't represent all wealth in the nation, but only the property of those who issued it. Interest he defined as "*the monopoly price of money.*" "*All payment beyond labor and risk was no better than extortion.*" [Ibid. 112-113]

Heywood continued this theme in **Hard Cash** (1874), in which he more fully developed the exploitative results of mandatory specie backing, and called for a financial system based on Greene's mutual banks (see below). He referred to the state-enforced money monopoly as "*a trade union of moneylenders of infinitely greater, more oppressive and fraudulent power, than any combination ever devised among working people.*" [Ibid. 113]

In 1871 the New England Labor Reform League gave birth to a national organization, the American LRL. Heywood served as corresponding secretary, and the individualists J.K. Ingalls and Stephen Pearl Andrews were affiliated. The ALRL attracted a wide spectrum of reformers, including Warrenites, Owenites, and Fourierists. [Ibid. 115-116]

In 1872, Heywood began editing the four-page **The Word: A Monthly Journal of Reform**, which served as the leading journal of individualist thought until Tucker's **Liberty**. It was intended as an organ of public discussion for the members of both labor reform leagues, and published work by most major figures in individualist anarchism and the land and money reform movements. It set forth its position in this way:

> *THE WORD favors the abolition of speculative income, of women's slavery, and war government; regards all claims to property not founded on a labor title as morally void, and asserts the free use of land to be the inalienable privilege of every human being–on having the right to own or sell only his service impressed upon it. Not by restrictive methods, but through freedom and reciprocity, THE WORD seeks the extinction of interest, rent, dividends, and profit, except as they represent work done; the abolition of*

> *railway, telegraphic, banking, trades-union and other corporations charging more than actual cost for values furnished, and the repudiation of all so-called debts the principal whereof has been paid in the form of interest.* [Ibid. 116]

Heywood continued to compromise his positions with those of non-anarchist radicals appearing in **The Word,** and sporadically endorsed causes like the graduated tax and the eight-hour day. Warren began to distance himself from Heywood's increasing class view of society, and his strong language identifying the state as a conspiracy of the rich. Like Proudhon, he considered exploitative laws to result more from ignorance than from deliberate design. He was likewise cautious about Heywood's position on land titles, preferring simply to leave titles intact and restrict price to that paid by the original buyer plus the value of improvements. [Ibid. 118-119]

In 1877 Heywood endorsed the railroad strikes, issuing the booklet **The Great Strike**

> *for a summary of anarchist economics as interpreted by the Labor Reform group, as well as for a statement from the anti-government wing on the separate items of striking, violence, and the attitude toward the state and capital in times of industrial disputes.*

As Tucker was later to do, Heywood considered employers in the main to be the guilty parties when strikes resulted in violence, and to emphasize the role of state violence in aiding the side of the companies. Heywood admitted that he did not support combinations of labor in principle, and preferred to abolish privilege and leave the power of capital to be ended by the abolition of privilege like property in land and raw materials, and an end to restrictions on currency. Nevertheless, he considered the Mollie Maguires to be "*morally lawful belligerents*" engaged in "*defensive warfare.*" [Ibid. 120-121]

The single most important figure between Warren and Tucker was probably William Greene, who worked out the theory of mutual banking that so much of Tucker's economics depended on. Aside from his contribution to anarchist financial theory, however, Greene was only intermittently involved in the radical movement.

> *Greene, unlike Warren, did not devote a lifetime to unorthodox activities. His life touched the radical movement with intensity only at intervals, and his conversion to full-fledged anarchist beliefs occupied only the last ten years of his life, despite an intimate acquaintanceship of a full three decades.* [Ibid. 125]

The New Englander began writing a series of newspaper articles on banking and other economic issues for the Worcester **Palladium** in 1849, under the pseudonym "Omega." The articles were later compiled, with previously unpublished material, in book form as **Equality** in the same year. In many ways it was a prototype of **Mutual Banking**, which came out shortly thereafter.

In **Equality**, Greene argued that a bank's only legitimate reason for existing was to serve as a clearinghouse for lenders and borrowers, regardless of the nature of the capital available for lending. In a proper system of competition between lenders, interest rates would drop and labor would keep a greater share of its product. But conventional banks operated as lenders' cartels, stifling competition between the providers of capital, acting "*to enable the few to bring the many under tribute.*" [Ibid. 128] The only proper function of money, likewise, was to facilitate exchange between the producers of primary goods and services. Artificially limiting the medium of exchange to specie made it a commodity in its own right, for which a monopoly price could

be charged. [Ibid. 129] In addition fractional reserve banking, which enabled banks to multiply interest income from their specie, further increased the advantage of the moneyed interest at everyone else's expense. [Ibid. 129-130]

In **Mutual Banking**, Greene set forth his organizational model for free, cooperative banks. Any group of private individuals could cooperate to form a mutual bank, which would issue monetized credit in the form of private banknotes, against any form of marketable collateral the membership was willing to accept. Membership in the bank and receipt of credit were conditioned on willingness to accept the notes as tender. Such a bank could issue credit to its members at the labor cost of handling the transaction–less than one per cent. A large membership would be necessary before starting, in order to provide security, insure a wide variety of participating trades, and avoid the problem of large accumulations of unspent notes. In addition to the issue of money against marketable commodities, Greene at one point even suggested that some memberships might be willing to issue credit against future income; but that idea was not echoed anywhere else. [**Mutual Banking** 74]

Greene's idea had colonial precedents. The Massachusetts system of land banks had been proposed in 1714 and died in discussion for want of approval from the General Court. It was introduced again in 1740 with better results, and operated successfully before it was "terminated abruptly" by Parliament at the royal governor's request. The governor acted in response to complaints from "*men of estates and the prinicpal merchants in the province.*" The bank venture was organized by "*persons in difficult or involved circumstances in trade, or such as were possessed of real estates but had little or no ready money at command*," and supported mainly by persons "*generally of low conditions among the plebians and of small estate.*" [Thomas Hutchinson's **History of the Province of Massachusetts Bay** (1767), in Martin 133]

We obviously don't have to look any further than the above quotes to see why it was shut down. But the interesting thing is that it was, by Hutchinson's own admission, a successful and growing institution. "*Had not parliament interposed, the province would have been in the utmost confusion, and the authority of government entirely in the land bank company.*" [Ibid. 133-134]

Greene proposed that the mutual banks be integrated into the movement for "associated workshops" and cooperatives, so that an alternative system of cooperative economics might encompass "*complementary units of production, consumption, and exchange... the triple formula of practical mutualism.*" The mutual system of currency would be stable, and far less prone to the boom bust cycle, because the property on which it was based would remain in the local community.

In the period 1872-76, Ezra Heywood and the New England Labor Reform League repeatedly lobbied the General Court to charter a mutual bank, with no success. The experience confirmed the general sentiment of the League that "*legislatures are made up of capitalists who draw pay for serving their own interests, not the people's.*" [Martin 137]

It was Greene's monumental contribution to abandon the old Owenite/ Warrenite model of "labor for labor" exchange, and to replace it with a market system of pricing based on the monetization of all durable wealth. [Ibid. 138]

After Greene the second most important figure between Warren and Tucker was probably J.K. Ingalls, the land reformer. A New Englander, like most of the other leading individualists, Ingalls was involved in many currents of the reform movement. He embraced the labor theory of value early on, along with individualist views on the exploitative nature of interest. In 1845 he came into contact with leaders of the Land Reform Society, and from that point on focused mainly on issues of land monopoly. It was in the same general period, while writing for a Fourierite publication,

that he became acquainted with anarchist ideas; he first learned Proudhon's mutualism in 1849, as interpreted in the articles of Charles A. Dana. He met Josiah Warren and Stephen Pearl Andrews about the same time. Although Ingalls took a role in forming the New England Labor Reform League with other New England anarchists, he did not form close relations with the Warrenites, owing to their relative lack of concern with land ownership issues. He was famous for the phrase, "*The whole produce of labor belongs to the laborer, and is his natural reward.*" [Martin 139-42, 145]

Like Henry George, Ingalls stressed land monopoly as the main source of inequity, and treated the power of capital as such as secondary. He elaborated this view in his pamphlet **Land and Labor** (published in 1872 by Heywood), in articles for **The Word**, and in two 1878 pamphlets, **Work and Wealth** and **Periodical Business Crises.** Land, as a thing in limited quantity and not produced by human labor, was not a commodity and therefore not an appropriate object of ownership. Ingalls argued that, so long as land was monopolized, "*schemes of currency and finance*" could avail little in reducing exploitation. On the other hand,

> *Repeal our unreasonable land laws, half feudal and half civil, so that organized injustice can no longer have the land for its fulcrum, and you will find the lever money, now so weighty for wrong, to be the most serviceable and inoffensive of servants.* [**The Word** August 1876, in Ibid. 145]

The remedy was land tenure by occupancy and use alone. In the area of money reform, he did not go beyond the Warrenite practice of labor-exchange. [Martin 144-45, 149] Under Ingalls' influence, the Warrenites in the end "*wholeheartedly subscribed*" to the idea of land tenure based on occupancy. [Ibid. 147]

Ingalls was alarmed by the Gilded Age government largesse toward corporate robber barons. The Homestead Act had put a populist facade on the giveaway of land to speculators, and the railroads had received a large portion of land in the public domain. Ingalls favored, not new legislation, but repealing existing laws that encouraged or protected land monopoly. A gradualist approach might be adopted of grandfathering in the tenure of existing owners for the rest of their lives, and then basing all subsequent tenure on libertarian principles. [Ibid. 145-46, 151]

Ingalls was especially brilliant in drawing attention to the historical roots of existing patterns of ownership, which modern defenders of the "free market" for some reason prefer to leave decently behind a veil. As Martin characterized it,

> *Ingalls charged that the economists hardly made a pretense of discussing the origins of land titles, ignoring the subject because they "could give no justification to the system, for to trace any title back will yield us nothing… but forceful and fraudulent taking, even were land a proper subject for taking at all."* [**Social Wealth,** in Ibid. 148-49]

The state, as a result, had in effect become "*a police force to regulate the people in the interests of the plutocracy.*" [**The Unrevealed Religion**, in Martin 152]

Like Tucker, Ingalls attacked Henry George's single tax as tantamount to transforming the state into a landlord. He believed that a class of "super-taxpayers" would still be able to control large tracts of land, and use their position of privilege to pass their taxes on to the public, so that only the least privileged would actually pay the land tax. This vision of state socialism in alliance with plutocracy is key to understanding what happened in the twentieth century. Ingalls' feared

corrupt alliance between the state and the large taxpayers resembled the collusion between state and "social landlords" as it actually developed in modern Britain. Ingalls developed his critique of George in **Social Wealth** (1885), which "*but for Ingalls' dismissal of the currency question, might have become a general textbook of anarchist economics.*" [Ibid. 147-48]

Ingalls' main shortcoming was treating currency and credit issues as of no account. But as we shall see below, Tucker remedied this lack by integrating Ingalls' land theory with Greene's theory on mutual banking, in a general philosophical framework inherited from Warren and Proudhon.

To an extent Lysander Spooner integrated the earlier currents of individualism. As such he can be considered an anarchist "John the Baptist," the immediate forerunner of Tucker. In addition, he earned some notoriety for his private mail delivery service, whose successful competition forced Congress to establish a U.S. Post Office monopoly on the mail. But Spooner is most remembered for his juristic and constitutional theory. His anarchistic economic theory was usually approached from a legal perspective.

For example, Spooner's **Constitutional Law Relative to Credit, Currency and Banking** (1843) argued:

> *To issue bills of credit, that is, promissory notes, is a natural right… The right of banking, or of contracting debts by giving promissory notes for the payment of money is as much a natural right as that of manufacturing cotton.*

On this basis he pronounced state chartering requirements illegitimate, and demanded that banking be open to all.

From the constitutional injunction against impairment of the obligation of contracts, he deduced, first, the fundamental right to enter into contracts, and second, that legal tender laws and bank charters were impairments of this right. Further, he argued that contracts could only be made between "*real persons*," and therefore corporate personality was nonsense.

> *The idea… of a joint, incorporeal being, made up of several real persons, is nothing but a fiction… It is a fiction adopted merely to get rid of the consequences of facts. And act of legislation cannot transform twenty living, real persons into one joint, incorporeal being. After all the legislative juggling that can be devised, "the company" will still be nothing more… than the individuals composing the company. The idea of an incorporeal being, capable of carrying on banking operations, is ridiculous.*

And completing the circle, he argued that such a limited liability corporation was an impairment of the members' obligation of contract as individuals. A bank charter was a device for giving an individual "*the advantage of two legal natures,–one favorable for making contracts, the other favorable for avoiding the responsibility of them.*" [Martin 168-170]

In **Poverty: Its Illegal Causes and Legal Cure** (1846), Spooner started from the premise that every man was entitled, as a principle of natural law, to "*all the fruits of his own labor.*" Since working for an employer diverted part of the worker's product to the owner, this prinicple required that every man be his own employer. From this followed the need for one's own capital, or ready access to credit.

> *As the materials for banking credit are abundant, …it is obvious that if free enterprise in banking were allowed, the rate of interest would be brought very low, and bank loans would be within the reach of everybody whose business and character should make him a reasonably safe person to loan to.*

But this was prevented by state banking laws, which created an abundance of credit for large employers, but denied it to individual laborers. The result was a system in which the many were forced to sell their labor to a privileged few. Artificial poverty and the polarization of wealth, created by banking laws, led in turn to crime, fraud and vice.

While Spooner opposed usury laws as restricting access to credit by the propertyless, he paradoxically also denied that debt had any legal obligation. And the debtor seldom had even a moral obligation to pay beyond his means and ability. "*The law requires no impossibilities from any man. If a man contract to perform what proves to be an impossibility, the contract is valid only for so much as is possible…*"It was the creditor's obligation to judge the debtor's ability to repay before loaning money. The state should not be in the position of collecting debts. The right to contract any interest rate, on the other hand, was the lender's hedge against risk in an unsecured loan.

Although this last argument sounds suspiciously like the anarcho-capitalist apology for check-cashers and other forms of legalized loan-sharking, we should take it in the context of Spooner's whole philosophy of finance. The end of the money monopoly would drastically reduce interest rates for anyone with marketable property as collateral, and therefore have a net effect of vastly increasing the access of ordinary people to credit. And Spooner's was still a society of small farmers in which small-scale property was much more widely distributed. Finally, Tucker was later to argue that the general lowering of interest rates by mutual banking would, through market competition, tend to increase the availability and affordability of credit for those with no collateral.

Spooner summed up his argument by charging poverty to the state and its legal privileges:

> *Nearly all the positive legislation that has ever been passed in this country, either on the part of the general or state governments, touching men's rights to labor, or their right to the fruits of their labor, …has been merely an attempt to substitute arbitrary for natural laws; to abolish men's natural rights of labor, property, and contract, and in their place establish monopolies and privileges; to create extremes in both wealth and poverty; to obliterate the eternal laws of justice and right and set up the naked will of avarice and power; in short, to rob one portion of mankind of their labor, or the fruits of their labor, and give the plunder to the other portion.* [Martin 172-75]

In **A New System of Paper Currency,** Spooner in 1861 proposed a banking system resembling that of William Greene, as well as the Massachusetts Land Bank Associates. It reflected his belief that money should represent not only specie, but "*any type of durable, tangible wealth.*" He proposed a number of confidence-building measures, like opening the record of mortgages, along with the appraisers' certificates, to public inspections. The currency issued against a piece of property was to be limited to between one-third and one-half is appraised value. If the property mortgaged were insufficient to back up a bad loan, the other members of the association would be liable. [Martin 175-76]

In **Considerations for Bankers and Holders of United States Bonds,** he put his sharply-honed polemical skills to work attacking two measures of the Civil War Congress: the Legal Tender Acts and the National Banking Act. The power to coin money and fix its value, he argued, did not carry with it the power to make its use mandatory. In regard to the former, private citizens were no obligation to conduct exchanges in coin alone. "*They are at perfect liberty to make* [contracts] *payable in wheat, corn, hay, iron, wool, cotton, pork, beef, or anything else they choose.*" The latter act, by guaranteeing banknotes and by imposing a ten percent tax on all bills not authorized by Congress, created a national banking cartel based on government licensing. [Ibid. 177-78]

Spooner wrote **A New Banking System** (1873) in response to the fire that destroyed part of Boston. The mutual banking project he proposed would mobilize loanable capital and thus aid the process of reconstruction. He used this occasion to take another shot at the National Banking Act, in language that foreshadowed later criticism of the Federal Reserve:

> *The "National" system so called, is in reality no national system at all; except in the mere fact that it is called the national system and was established by the national government. It is, in truth, only a private system; a mere privilege conferred upon a few, to enable them to control prices, property and labor, and thus swindle, plunder and oppress all the rest of the people.* [Ibid. 178-79]

All his previous financial arguments were summarized in the 1877 polemic **Our Financiers, Their Ignorance, Usurpations and Frauds**. As to its contents, the title speaks pretty well for itself. In it he made this memorable statement, sounding much like Brandeis' later analysis of finance capitalism in **Other People's Money**:

> *The establishment of a monopoly of money is equivalent to the establishment of monopolies in all the businesses that are carried on by means of money, equivalent to a prohibition upon all businesses except such as the monopolists of money may choose to license.* [Ibid. 179-80]

Besides his arguments on finance, Spooner took Anglo-republican common law traditions to their ultimate libertarian conclusions. Not only did he condemn the powers of government as such, he criticized the "composition of government" in its concrete forms. [Martin 184] This was especially true of his analysis of jury rights. In **An Essay on Trial By Jury** (1852), he argued from the history of the jury for an absolute right to judge matters of law as well as fact. The right of jury nullification was the ultimate line of defense against the state, after its internal checks and balances failed. It was a formalized "*right of resistance,*" a means for the sovereign citizenry directly to set limits to the government. And the jury was to be chosen by lot from all citizens, and judges elected by the people, with no government role in filtering the process. [Ibid. 185-89]

Spooner's understanding of the jury, along with the posse comitatus and the general militia, was part of a tradition that went back to the anti-federalists and country party radicals who fought the Revolution, and ultimately to the oppositionist or commonwealth tradition of England. Jury nullification had an honorable and proud history in New England, being used to thwart enforcement of the fugitive slave laws. As Spooner argued, such an understanding of jury rights would have prevented the enforcement of nine-tenths of U.S. law. [Ibid. 187]

His general theory of government was very much in the mainstream anarchist tradition. In **Natural Law** (1882), he ascribed the origins of the state and law (in James Martin's paraphrase) to

> *an attempt of a portion of mankind to live off the production of the remainder, and extended as far back in history as the period when the systematic cultivation of the soil made possible an accumulation of material wealth in excell of that needed for daily need on the part of the cultivators.*

He believed in voluntary association alone for internal "*maintenance of justice*" and defense against outside aggression. [Ibid. 198]

At long last, we now reach the high point of American mutualism: Benjamin Tucker (cue in opening strains of "Also Sprach Zarathustra"). Tucker integrated and systematized all the earlier strands of American individualism and mutualism, and formed them into a single coherent doctrine. In addition, he was the most able polemicist the movement in America has ever known. He combined clear and economical prose with Jesuitical logic. American mutualism ever since has been largely a commentary on or reaction to Tucker.

Tucker, like the other individualists, was born in New England and was involved in most of the major reform movements of the nineteenth century. Like many New England radicals, he came from a Unitarian background, but soon gravitated toward free thought and atheism. He initially set out on an engineering career (which may explain his systematic habits of thought and expression), but abandoned it for political interests. In 1872 he met Warren and Greene at a meeting of the New England Labor Reform League in Boston. Later the same year he first corresponded with Heywood, and started submitting articles to **The Word.** It was during this period that he began synthesizing the ideas of Proudhon with those of Warren, Spooner and the other individualists. His discovery of Greene's **Mutual Banking** was an epiphany, giving him a central organizing prinicple into which he could integrate the financial theories of the other mutualists. During his career he distinguished himself as a translator of Proudhon, and achieved minor notoriety (like Thoreau) for refusing to pay his poll tax. [Martin 204-06]

But it was an independent editor and publisher that Tucker made his real contributions to the anarchist movement. He soon became dissatisfied with Heywood's policies at **The Word**, and set out on his own publishing venture, the **Radical Review.** During its brief run (1877-78), he published articles by Andrews, Spooner, Greene, Heywood and Ingalls. He abandoned it after less than a year to take over publishing **The Word**, as a favor to Heywood after his conviction under the Comstock laws. In 1881 Tucker began publishing **Liberty** (cue in Richard Strauss again), the vehicle through which he was to express his mature thought. [Ibid. 206-07]

Tucker worked almost entirely in the periodical press. His thought was presented in book form in two major compilations from **Liberty**. The first, **Instead of a Book, By a Man Too Busy to Write One**, was edited by Tucker himself. It was a good-sized tome, partly because he felt obliged to include in full the readers' letters to **Liberty,**to which his selections were often in reply. A good deal of the material in **Instead of a Book** is in the form of long exchanges between Tucker and critical readers. Tucker was often narrow-minded in what he did and did not recognize as anarchism, and sharp in his criticism of those who did not warrant his imprimatur; but he was generous in allowing space for disagreement, and coming to the defense of all who came under the guns of the state. A second compilation, **Individual Liberty**, was edited by

Clarence L. Swartz, a Tucker disciple, while he was still living. It was considerably streamlined, leaving out (to Tucker's chagrin) the material to which Tucker had replied.

The main outlines of Tucker's economic theory were briefly and comprehensively set out in his essay **"State Socialism and Anarchism: How Far They Agree, and Wherein They Differ"** (1886), included in both compilations of his work. [**Instead of a Book** 1-17; **Individual Liberty**] He started by defining the common claim of all schools of socialism, including anarchism, as *"that labor shall be put in possession of its own..."* The roots of socialism lay in Adam Smith's principle that *"labor is the true measure of price,"* from which the three main founders of socialism, Warren, Proudhon and Marx, deduced:

> *that the natural wage of labor is its product; that this wage, or product, is the only just source of income (leaving out, or course, gift, inheritance, etc.); that all who derive income from any other source abstract it directly or indirectly from the natural and just wage of labor; that this abstracting process generally takes one of three forms, –interest, rent, and profit; that these three consitute the trinity of usury, and are simply different methods of levying tribute for the use of capital; that, capital being simply stored-up labor which has already received its pay in full, its use ought to be gratuitous, on the principle that labor is the only basis of price; that the lender of capital is entitled to its return intact, and nothing more; that the only reason why the banker, the stockholder, the landlord, the manufacturer, and the merchant are able to exact usury from labor lies in the fact that they are backed by legal privilege, or monopoly; and that the only way to secure labor the enjoyment of its entire product, or natural wage, is to strike down monopoly.*

But from this common doctrine, the school of Marx diverged widely from that of Warren and Proudhon in its proposals to remedy the problem of exploitation. Marx, the founder of state socialism,

> *concluded that the only way to abolish the class monopolies was to centralize and consolidate all industrial and commercial interests, all productive and distributive agencies, in one vast monopoly in the hands of the State. The government must become banker, manufacturer, farmer, carrier, and merchant, and in these capacities must suffer no competition. Land, tools, and all instruments of production must be wrested from individual hands, and made the property of the collectivity.*

Anarchism, on the other hand, was "*the doctrine that all the affairs of men should be managed by individuals or voluntary associations, and that the State should be abolished.*" Warren's and Proudhon's remedy for the "*obstacle of class monopolies"*was the exact opposite of that of Marx:

> *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 leveler of prices to the labor cost of production... 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 it as practicable; ...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 as high a point as the necessities of the people will bear. ["**State Socialism and Anarchism,**" in **Individual Liberty**]

Tucker's understanding of the labor theory of value, in asserting that statist privilege deprived the worker of the full value he created in the production process, resembled more recent doctrines of "value-added." He argued that, when "factors of production" like land and capital were deprived of the privileged position that enabled them to obtain artificially high prices, free market prices would all reflect embodied labor value. The cost of all commodities should reflect the labor expended in producing them or extracting them from the land. The land and natural resources themselves, as natural goods not produced by labor, should be free to the occupier. Capital was merely stored-up labor, for which nobody but the worker himself was entitled to payment.

If a laborer's product is looked upon as the entirety of that which he delivers to the consumer, then indeed... to expect the laborer's wages to buy back his product is to expect too much. But that is not what is ordinarily meant by a laborer's product. A laborer's product is such portion of the value of that which he delivers to the consumer as his own labor has contributed. To expect the laborer's wages to buy this value back is to expect no more than simple equity. If some other laborer has contributed to the total value of the delivered article by making a tool which has been used in its manufacture by the laborer who delivers it, then the wages of the laborer who makes the tool should also buy back ***his*** *product or due proportion of value, and would do so under liberty. But his portion of the value and therefore his wage would be measured by the wear and tear which the tool had suffered in this single act of manufacture, and not by any supposed benefit conferred by the use of the tool over and above its wear and tear. In other words, the tool-maker would simply sell that portion of the tool destroyed in the act of manufacture instead of lending the tool and receiving it again accompanied by a value which would more than restore it to its original condition...* [W]*hen I say that the laborer's wages should buy back his product, I mean that the total amount which he receives for his labor, whether in advance or subsequently, and whether consumed before or after the performance of his labor, should be equal in market value to his total contribution to the product upon which he bestows his labor. Is this expecting too much? If so, might I ask to whom the excess of product over wage should equitably go?* [**Instead of a Book 241**]

Tucker agreed with Proudhon that the producer of capital goods was entitled to receive back the labor expended in producing them; but capital *as such* was entitled to no payment.

"Suppose one man spends his life in making ploughs to be used by others who sow and harvest wheat. If he furnishes ploughs only on condition that they be returned to him

> *in as good a state as when taken away, how is he to get his bread?" It is the maker of the plough, then, and not the plough itself, that is entitled to a reward? **What** has given place to **Who**. Well, we'll not quarrel over that. The maker of the plough certainly is entitled to pay for his work. Full pay, once; no more. That pay is the plough itself, or its equivalent in other marketable products, said equivalent being measured by the amount of labor employed in their production.* [**"Capital, Profits and Interest,"** in **Individual Liberty**]

Central to Tucker's understanding of the labor theory of value was the doctrine that price should reflect cost to the producer, not subjective value to the consumer. But this did not mean an arbitrary system of assigning labor cost outside of the market process of supply and demand, as Warren had attempted to do with labor notes. Rather, it was the natural tendency of a market to reduce price to production cost. Only by artificially cornering the market on capital or land, or restricting its supply, could one price it according to its utility to the consumer. In a society based on free banking and occupancy-based ownership of land, any attempt by a banker or landlord to charge according to the consumer's subjective valuation would be met with a competing offer to offer the same good at a price closer to labor cost. And the process would continue until price reached labor cost.

For example, Tucker criticized Henry George's example of the pot of boiling water. George had argued that the tendency of some natural goods to accumulate over time, without regard to labor cost, was the reason for interest on capital. When it took an hour to bring a pot of water to a boil, the person who sold it should be compensated for his hour's time in creating the increased value over cold water. But Tucker pointed out that the seller could have taken a nap, or done some other labor in the meantime, and that the water came to a boil as a natural good; the seller was entitled to compensation for his labor in fetching the water and building the fire, not for time as such. And if he attempted to charge for the time, some other seller would realize that he could do some other kind of labor while the water was boiling, and be willing to sell the water at a lower cost, until its price fell to labor cost. [**"Henry George and Interest,"** in **Individual Liberty**]

Like Warren and Proudhon, Tucker struggled with the issue of skill in formulating his labor theory. He believed in principle that the worker was entitled only to increased pay sufficient to compensate him for the labor and time spent in acquiring his skill. He was not entitled to increased pay for superior innate ability. "*I have never maintained that judgment and skill are less important than labor; I have only maintained that neither judgment nor skill can be charged for in equity except so far as they have been acquired.*" He treated the issue of compensating workers for the effort of acquiring skill as a fairly straightforward one:

> *Suppose a boy begins farm labor at fifteen years of age with a prospect of fifty years of work before him at one thousand dollars a year. Suppose another boy of the same age spends ten years and ten thousand dollars in studying medicine, and begins practice at twenty-five years of age with a prospect of forty years of work before him. Is it such a difficult mathematical problem to find out how great a percentage the latter must add to his prices in order to get in forty years as much as the farmer gets in fifty, and ten thousand dollars besides?* [**Instead of a Book** 307]

Tucker was very much a realist in his willingness to accept evils when they could not be remedied by the abolition of statist privilege alone. Although he believed the worker in equity was entitled only to compensation for the superior skill acquired through effort, he recognized in practice that those with superior intelligence and other innate abilities would receive better pay through no desert of their own. But he preferred to tolerate such an irreducible minimum of inequality than to suffer the statist remedies that would be required to "fix" it.

One reader questioned Tucker on the difficulty of justifying the right of the occupant of fertile land to receive the same reward for three hundred days' work, that the occupant of less fertile land received for five hundred days. He responded:

> *Precisely as difficult as it would be to show that the man of superior skill (native, not acquired) who produces in the ratio of five hundred to another's three hundred is equitably entitled to this surplus exchange value. There is no more reason why we should pool the results of our lands than the results of our hands…*
>
> *If the cost principle of value cannot be realized otherwise than by compulsion, then it had better not be realized. For my part, I do not believe that it is possible or highly important to realize it* ***absolutely and completely.*** *But it is both possible and highly important to effect its approximate realization. So much can be effected without compulsion… and so much will be sufficient… Abolish the artificial monopolies of money and land, and interest, profit, and the rent of buildings will almost entirely disappear; ground rents will no longer flow into a few hands; and practically the only inequality remaining will be the slight disparity of products due to superiority of soil and skill.* [Ibid. 331-32]

Tucker analyzed the system of privilege into four main components: the money monopoly, by which access to capital was artificially restricted and its price kept up; the land monopoly, by which absentee owners of land were able to charge rent to the occupiers; the patent and copyright monopolies, and the tariff monopoly, by which the consumer was indirectly forced to pay a premium on goods beyond the labor cost of production.

The most important of these, by far, was the money monopoly, which Tucker defined as

> *the privilege given by the government to certain individuals, or to individuals holding certain kinds of property, of issuing the circulating medium, a privilege which is now enforced in this country by a national tax of ten per cent., upon all other persons who attempt to furnish a circulating medium, and by State laws making it a criminal offense to issue notes as currency.* [**"State Socialism and Anarchism,"** in **Individual Liberty**]

The effect of the money monopoly is to keep capital artificially dear and unavailable to the working class, thus perpetuating the division between labor and ownership, and making exploitation possible. As a remedy Tucker proposed the free banking system of William B. Greene. The mutual banks would not in fact be making loans at all, but would simply "*be doing business on the capital of their customers,*" performing a service for which the existing system of state licensing enabled capitalist banks to charge a monopoly price.

Such free banking would end the ability of property owners to exploit labor, not only by interest, but indirectly by profit and rent as well.

> *...if the business of banking were made free to all, more and more persons would enter into it until the competition should become sharp enough to reduce the price of lending money to the labor cost, which statistics show to be less than three-fourths of one per cent. In that case the thousands of people who are now deterred from going into business by the ruinously high rates which they must pay for capital with which to start and carry on business will find their difficulties removed...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 the supply, directly to the contrary of the present condition of the labor market... Labor will then be in a position to dictate its wages, and will thus secure its natural wage, its entire product... Down will go profits also. For merchants, instead of buying at high prices on credit, will borrow money of the banks at less than one per cent., buy at low prices for cash, and correspondingly reduce the prices of their goods to 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.* [Ibid.]

Tucker stressed that, in cases of secured loans, the banks were not in fact "lending" money at all, and "*that the interest paid in the transaction... was not paid for the use of anything whatever, but was a tax levied by monopoly and* ***nothing else****.*"[**Instead of a Book** 221-22] Whether the service was performed by a mutual bank or a capitalist bank, all it amounted to was monetizing an asset already owned by the "borrower."

> *...the establishment of a mutual bank does not require the investment of capital, inasmuch as the customers of the bank furnish all the capital upon which the bank's notes are based, and... therefore the rate of discount charged by the bank for the service of exchanging its notes for those of its customers is governed, under competition, by the cost of that service, and not by the rate of interest that capital commands.* [Ibid. 286-87]

Free banking would empower those with tangible assets to monetize them directly as capital, rather than depending on a privileged banking class to perform the same service at a monopoly price.

> *If I were free to use my capital directly as a basis of credit or currency, the relief from the necessity of borrowing additional capital from others would decrease the borrowing demand, and threfore the rate of interest. And if, as the Anarchists claim, this freedom to use capital as a basis of credit should give an immense impetus to business, and consequently cause an immense demand for labor, and consequently increase productive power, and consequently augment the amount of capital, here another force would be exercised to lower the rate of interest and cause it to gradually vanish. Free trade in banking does not mean* ***only*** *unlimited liberty to create debt; it means also vastly increased ability to meet debt...* [Ibid. 230]

The last sentence shows a strong parallel between the old-time labor currency and the new free banking as tools of empowerment. As the labor-notes systems of Owen and Warren aimed to more directly transform labor into purchasing power, the free banking system aimed more to

more effectively transform property into investment funds without the intervention of a middleman.

In response to those who claimed that mutual banking was fraudulent, that it was "*inherently impossbible to use one's property and at the same time pledge it,*" Tucker responded:

> *But what else happens when a man, after mortgaging his house, continues to live in it? This is an actual every-day occurrence, and mutual banking only seeks to make it possible on easier terms,–the terms that will prevail under competition instead of the terms that do prevail under monopoly.* [Ibid. 231]

Likewise, Tucker denied claims that mutual banking was fraudulent for issuing loans greater than its total capital, to which opponents of fractional reserve banking object. Tucker responded to an argument that "*banks should be permitted to issue paper money equal to their unimpaired capital*" by arguing:

> *This would be a virtual prohibition of mutual banks, which do not profess to have any capital and claim to need none. As Colonel Greene has pointed out, banks serve simply as clearing-houses for their customers' business paper running to maturity and no more need capital than does the central clearing-house which serves them in the same way.* [**"The Redemption of Paper Money,"** in **Individual Liberty**]

Another criticism of Tucker's argument was that there was in fact no privilege involved in the capitalist banking system, because anyone who met the criteria could establish a bank of his own (as if privilege were synonymous with a hereditary caste system, apparently). Tucker responded as follows:

> *Anybody, it is true, could establish a State bank, and can establish a national bank, who can observe the prescribed conditions.* ***But the monopoly inheres in these compulsory conditions.*** *The fact that national bank-notes can be issued only by those who have government bonds and that State bank-notes could be issued only by those who had specie makes both vitally and equally objectionable from the standpoint of free and mutual banking, the chief aim of which is to secure the right of all wealth to monetization without prior conversion into some particular form of wealth limited in amount and without being subjected to ruinous discounts.* [**Instead of a Book** 247]

Another objection was that free money would "*enable the man who has capital to monetize it, and so double his advantages over the laborer who has none.*" Tucker's response was that increasing the amount of good money in circulation benefited everyone, not just the issuers; and that by raising the worker's wage to equal his product, it would enable him to accumulate capital by savings from his wages.

> *Now, if they only had the liberty to do so, there are already enough large and small property-holders willing and anxious to issue money, to provide a far greater amount than is needed, and there would be sufficient competition among them to bring the price of issue down to cost,–that is, to abolish interest.* [Ibid. 247-48]

Tucker's response, accurate as far as it went, was inadequate. He might have pointed out that the super-usurers at the top of the capitalist class had no problem obtaining all the credit they needed under the existing system, and passing any finance charges along to the customer through their monopoly position. He might have anticipated Galbraith and pointed out that expansion of large corporations was financed mainly by savings from their income steam. He might have anticipated Brandeis, showing that the entire system of finance capital and investment banking favored large corporate enterprise and shut out cooperatives and other upstarts from access to capital. And given the existing widespread distribution of property in small farms, homes, and family businesses, increasing the usability of such property as credit would benefit the vast majority of the middle class who were shut out of the favored position granted to the plutocracy. If free money would have benefited the plutocrats as Tucker's critic said, it would already have been legal.

Mutual banking was also criticized on the grounds that one of the advantages of existing currency was its universal acceptability, and its security. Numerous competing local currencies, which varied in their backing, would not serve the same purpose. Tucker responded with two arguments: that competition would result in the dominance of the soundest mutual currency; and that federative agreements between mutual banks would make their local currencies widely interchangeable.

> *...human ingenuity, which has heretofore conquered much greater obstacles, will undoubtedly prove equal to the emergency. The more reputable banks would soon become distinguished from the others by some sort of voluntary organization and mutual inspection necessary to their own protection. The credit of all such as declined to submit to thorough examination by experts at any moment or to keep their books open for public inspection would be ruined, and these would receive no patronage. Probably also the better banks would combine in the use of a uniform bank-note paper difficult to counterfeit, which would be guarded most carefully and distributed to the various banks only so far as they could furnish security for it.* [Ibid. 288]

Tucker did not deny that there would still be some charge for interest in cases where a genuine loan took place. In "*sporadic*" cases where a property owner endorsed the note of someone without property, he would desire some compensation for the risk. But the far greater availability and mobilization of credit overall, would reduce interest to zero for anyone having collateral, and reduce it below existing levels for those taking out unsecured loans. [**"The Abolition of Interest,"** in **Individual Liberty**] Since the average interest on unsecured credit card debt generally runs about ten points or so over that of secured loans in today's world, it's fair to speculate that average interest for unsecured loans would decline to ten per cent or less under free banking.

Next in importance (and of primary importance in agrarian countries) was the land monopoly, which "*consists in the enforcement by government of land titles which do not rest upon personal occupancy and cultivation.*" The end to protection of all forms of ownership not based on occupancy and cultivation would lead to the disappearance of ground-rent. [**"State Socialism and Anarchism,"** in **Individual Liberty**]

Tucker's solution to the land monopoly was simple: an end to state enforcement of absentee land titles. The local defense associations (about which more below) would defend the occupier against invasion by anyone, including the claimant of absentee title; but they would not enforce any claims of ownership not based on occupancy and use.

> *Suppose that all municipalities have adopted the voluntary principle, and that compulsory taxation has been abolished. Now, after this, let us suppose further that the Anarchistic view that occupancy and use should condition and thus limit landholding becomes the predominant view. Evidently then these municipalities will procede to formulate and enforce this view.* [C]*ontinuing with our suppositions, we will say that they decide to protect no one in the possession of more than ten acres. In execution of this decision, they, on October 1, notify all holders of ten acres within their limits that, on and after the following January 1, they will cease to protect them in the possession of more than ten acres, and that, as a condition of receiving even that protection, each must make formal declaration on or before December 1 of the specific ten-acre plot within his present holding which he proposes to personally occupy and use after January 1. These declarations having been made, the municipalities publish them and at the same time notify landless persons that out of the lands thus set free each may secure protection in the possession of any amount up to ten acres after January 1 by appearing on December 15... and making declaration of his choice and intention of occupancy.* [**Instead of a Book** 311-12]

One might legitimately object that the arbitrary authority to define how much land could be used by an individual, would undermine the possessor's security in continued possession. How would full "use" be defined and verified? Would it leave room for letting land lie fallow, for conserving wooded areas, etc? If population increased significantly, could an association reduce the maximum individual holding to eight acres and redivide? Such problems argue for a high degree of forbearance in determining occupancy and use. There should be a wide latitude for determining just how much land could be used by a family engaged in different kinds of farming, with the benefit of the doubt given to the occupier. And if per-person allowances should be reduced, the existing occupants should be grandfathered in for the duration of their lives. The occupancy system of tenure should convey as absolute a property right as possible for the occupier. The focus, in ending the landlord monopoly, should be to end absentee ownership of large-scale tracts–not to keep petty owners at each other's throats over the definition of "occupancy."

Fortunately, Tucker made it clear he had such a liberal system of enforcement in mind.

> *And the terror of rigidity is... groundless. This rule of ten-acre possession, or any similar one that may be adopted, is no more rigid crystalline custom than is Mr.* [Auberon] *Herbert's own rule of protecting titles transferred by purchase and sale. Any rule is rigid less by the rigidity of its terms than by the rigidity of its enforcement. Now it is precisely in the tempering of rigidity of enforcement that one of the chief excellencies of Anarchism consists. Mr. Herbert must remember that under Anarchism all rules and laws will be little more than suggestions for the guidance of juries, and that all disputes, whether about land or anything else, will be submitted to juries which will judge not only the facts, but the law, the justice of the law, its applicability to the given circumstances, and the penalty or damage to be inflicted because of its infraction. What better safeguard against rigidity could there be than this? "Machinery for altering" the law, indeed! Why under Anarchism the law will be so flexible that it will shape itself to every emergency and need no alteration.*[Ibid. 312]

Tucker envisioned a continuing market for sale and transfer of occupancy, but with failure to enforce absentee title of unoccupied land forcing the price down to the value of improvements. He assumed that occupiers would quit occupancy, in most cases, only for a price.

> *The possibility of valuable land becoming vacant is hardly worth consideration. Still, if any occupant of valuable land should be foolish enough to quit it without first selling it, the estate would be liable to seizure by the first comer, who would immediately have a footing similar to that of other land-holders.*[Ibid. 343]

As we saw above, Tucker accepted that economic rent would survive after "*speculative and monopolistic rent*" had been eliminated. [Ibid. 346] Those who were lucky enough to occupy fertile land would derive unfairly increased incomes from the same amount of labor as their less fortunately situated neighbors. His acceptance of economic rent went much farther than simple differences in fertility. The occupiers of land with particular scarce resources–mines, etc.–would be able to extract economic rent, limited only by their need to avoid increasing price until a mine situated farther away became competitive. Tucker accepted the ability of those who occupied and worked the mines to price-gouge, as a necessary evil. [Ibid. 338]

Third was 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.*" Abolishing the tariff monopoly would lead to *"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."* [**"State Socialism and Anarchism,"** in **Individual Liberty**]

Fourth, and finally, came the patent monopoly, which robbed labor of its product by

> *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, ...giving certain people a right of property for a term of years in laws and facts of Nature, and the power to exact tribute from others for the use of this natural wealth, which should be open to all.* [Ibid.]

Central to Tucker's thought was the reorganzation, on the basis of voluntary cooperation, of all services currently performed by the state. This extended to the protective services of local government itself. The state was to be robbed of its ability to force its services on unwilling consumers, or to tax them for payment. Being deprived of these powers of compulsion, local government would become merely another form of voluntary association.

> *"But," it will be asked of the Anarchists at this point in the argument, "what shall be done with those individuals who undoubtedly will persist in violating the social law by invading their neighbors?" The Anarchists answer that the abolition of the State will leave in existence a defensive association, resting no longer on a compulsory but on a voluntary basis, which will restrain invaders by any means that may prove necessary.* [**Instead of a Book** 25]

Protection, like other social services, would be provided only to those who desired them, and funded entirely at the cost of voluntary consumers. Tucker did not rule the possibility that the

service would be provided by a number of competing "States," or protection agencies. [Ibid. 32] In response to the prospect, suggested in a letter from F. W. Read, of friction between them, when one such agency arrested members of another agency, he speculated:

> *It would not be necessary for a police officer of a voluntary "State" to know what "State" a given individual belonged, or whether he belonged to any. Voluntary "States" could, and probably would, authorize their executives to proceed against invasion, no matter who the invader or invaded might be. Mr. Read will probably object that the "State" to which the invader belonged might regard his arrest as itself an invasion, and proceed against the "State" which arrested him. Anticipation of such conflicts would probably result exactly in those treaties between "States" which Mr. Read looks upon as so desirable, and even in the establishment of federal tribunals, as courts of last resort, by the co-operation of the various "States"...* [Ibid. 36]

In practice, the likelihood of a number of competing defense associations in a single geographical area is probably exaggerated. The cultural tendency to view defense as a function of community is deeply ingrained, and the habit would probably persist among most people of relying on a common agency, even after membership became voluntary. It would be possible, of course, for dissatisfied customers to attempt to organize competing agencies. But the service approaches so closely to a natural monopoly, between cost of start-up capital and the advantages of size, that it would surely be easier for the dissatisfied to attempt a hostile takeover of the unsatisfactory agency. If the agency maintained some moral continuity with the old local government, say, functioning as a direct democracy with selectmen, this possibility would seem even more obvious to those involved.

In any case Tucker was not bound to anything like the anarcho-capitalist idea of "privatized" defense firms. The only requirement for a government to ceast to be such was to stop funding its activities with compulsory taxes: "*...all States, to become non-invasive, must abandon first the primary act of invasion upon which all of them rest,–the collection of taxes by force...*" [Ibid. 62]

Tucker emphasized the continuity of functioning between such associations and the states they supplanted, in everything but compulsory membership and taxation. He speculated on their powers to try, imprison, or even execute aggressors, and on the most desireable common law modes of procedure for the associations' courts.

> ***Does* [anarchism] *recognize the right to arrest, try, convict and punish for wrong doing?***
>
> *Yes, if by the words wrong doing is meant invasion; otherwise, no.*
>
> ***Does it believe in jury trial?***
>
> *Anarchism, as such, neither believes nor disbelieves in jury trial; it is a matter of expediency. For myself, I am inclined to favor it.*
>
> ***If so, how is the jury to be selected?***
>
> *Another matter of expediency. Speaking for myself again, I think the jury should be selected by drawing twelve names by lot from a wheel containing the names of all the citizens in the community, –jury service, of course, not to be compulsory, though it may*

rightfully be made, if it should seem best, a condition of membership in a voluntary association.

Does it propose prisons, or other places of confinement, for such as prove unsafe?

Another matter of expediency. If it can find no better instrument of resistance to invasion, Anarchism will use prisons. [Ibid. 55-56]

Tucker expanded on the last item in response to another reader, who pursued a similar line of questioning.

Is it right to confine such as injure others and prove themselves unsafe to be at large? If so, is there a way consistent with Anarchy to determine the nature of the confinement, and how long it shall continue?

Yes. Such confinement is sometimes right because it is sometimes the wisest way of vindicating the right [to pass judgment against aggressors]. There are many ways consistent with Anarchy of determining the nature and duration of such confinement. Jury trial, in its original form, is one way, and in my judgment the best way yet devised. [Ibid. 60]

Like Spooner, Tucker hearkened back to the Anglo-American libertarian tradition in his admiration for the jury trial.

Jury trial in its original form differed from its present forms both in the manner of selecting the jury and in the powers of the jury selected. It was originally selected by drawing twelve names from a wheel containing the names of the whole body of citizens, instead of putting a special panel of jurors through a sifting process of examination; and by its original powers it was judge, not of the facts alone, as is generally the case now, but of the law and the justice of the law and the extent and nature of the penalty.

In support of this claim, he referred specifically to Spooner's pamphlet **"Free Political Institutions."** [Ibid. 62]

Tucker's understanding of the power of juries within mutual defense associations, and the possible federal system of appeals, in many ways resembled Rothbard's later conception of "libertarian law codes" based on the common law system. To repeat an earlier quote on the issue of land tenure,

...under Anarchism all rules and laws will be little more than suggestions for the guidance of juries, and... all disputes, whether about land or anything else, will be submitted to juries which will judge not only the facts, but the law, the justice of the law, its applicability to the given circumstances, and the penalty or damage to be inflicted because of its infraction. [Ibid. 312]

Tucker was sometimes ambiguous in speculating on the right of defense associations to interfere in the conduct of non-members. The basic principle was that the individual's right to self-defense, either alone or through his delegates, was absolute. Seemingly, at least, it followed that defense associations had the right to protect their members by taking action outside the

membership, when activity outside the association threatened a ”spillover effect” that might endanger the membership’s liberty.

This is the apparent implication, anyway, of Tucker’s remarks on the issue of child abuse in which the membership of an association was not involved. Tucker was questioned by a reader as to the proper response of a group, on libertarian principles, to parental neglect or abuse. We should note here that Tucker, as a Stirnerite, unfortunately did not believe in ”rights” in the conventional natural law sense. He did not recognize any absolute obligation to honor the rights of others, but instead made an egoistic defense of ”equal liberty” as the most logical principle of action for a self-interested individual. Nevertheless, the metaphysical or ethical underpinnings of Tucker’s libertarianism usually did not come into question; at most times he tended to a conventional use of the term ”rights.”

In this case, however, Tucker’s peculiar understanding of rights was central to the issue. In keeping with his own principles, he regarded the child not as having any rights inherent in its humanity, but as the labor product (and hence property) of the mother. He therefore argued that the community had a legitimate interest only to the extent that the child would one day become a sovereign human being who could directly affect their interests.

> *In this child... who is one day to pass from the condition of dependence and irresponsibility, the other members of society have an interest, and out of this consideration the question at once arises whether the parent who impairs the conditions of this child’s development thereby violates the equal freedom of those mature individuals whom this development unquestioningly affects.*

Tucker answered the question with a qualified yes, but with a high burden of proof on the advocates of intervention. The community was entitled to involve itself when the parent caused permanent physical harm to the child, but not in cases like emotional abuse or inadequate education, in which the certainty of permanent harm was questionable. [Ibid. 134-136]

Now of course, we do not focus on this question for its relevance to children’s rights as such. Most of us who call ourselves anarchists or libertarians are not Stirnerites, and would not accept the bizarre doctrine that the child is the labor product of its mother. We would, I hope, intervene to help anyone who was the victim of physical or emotional abuse.

The real relevance is to the issue of a ”police power” in the defense association, giving it the right to intervene in the community as a whole (including non-members) when the safety of the members was at issue. Tucker unambiguously rejected such a police power to legislate for an entire community, protecting the individual ”for his own good,” even when he did not desire such protection. But the above case strongly implies that the ”police power” of the association in protecting its own membership, is quite extensive even toward limiting potential harm caused by non-members. The problem is that, while Tucker commented several times on the issue of children’s rights, he said very little about any other issue with similar spill-over effects. So we are left in the position of developing a Tuckerist principle of intervention by analogy from this very peculiar issue.

The same principle accepted by Tucker in regard to child abuse, would seem to be applicable in many other cases. When the action of those outside a mutual defense association presents a tangible danger to the safety of those inside it, the membership is entitled to act in self-defense. Logically, this principle might extend to fire-codes to regulate fire-hazards, which might cause

fire to spread to a member's house. Likewise, it might include regulation of pollution when it threatened a member's groundwater or a member's creek downstream. What it would not justify is any kind of regulation of the individual "for his own good," or any paternalistic regulation of the community on aesthetic grounds.

And Tucker did not recognize any enforceable moral obligation to provide for the welfare of anyone who fell on hard times, or conversely any right of the starving or homeless to be provided for at the expense of others. He preferred to leave such problems to individual charity or to mutualist insurance arrangements. For example he strenuously opposed compulsory federal insurance schemes for flood victims.

> *The people cannot afford to be enslaved for the sake of being insured. If there were no other alternative, they would do better, on the whole, to take Nature's risks and pay her penalties as best they might. But Liberty supplies another alternative, and furnishes better insurance at cheaper rates. The philosophy of voluntary mutualism is universal in its application, not omitting the victims of natural disaster. Mutual banking, by the organization of credit, will secure the greatest possible production of wealth and its most equitable distribution; and mutual insurance, by the organization of risk, will do the utmost hat can be done to mitigate and equalize the suffering arising from its accidental destruction.* [Ibid. 158-59]

On labor issues, Tucker tended to be skeptical of the benefits of strikes, although he fully supported the rights of noncoercive collective bargaining and withholding of labor. Nevertheless, the responded enthusiastically, at first, to the 1881 revival of the International Working People's Association in London. He expressed some reservations at the idea of coordinating propaganda work with organizational work, since he saw education as central to achieving a permanent revolution. But still, he supported the Socialistic-Revolutionary Congress in Chicago, aimed at organizing an American federation within the International. He sent J. H. Swain as **Liberty's**delegate to the Congress, and was informed that the body met "*Josiah Warren's American socialism*" with a "*cordial reception.*" The Congress selected **Liberty** as its English language organ.

This amity with the less individualistic versions of European anarchism and socialism did not last long, however. In the face of conflicts with Most and other immigrant anarchists, the concord broke down into an ongoing feud between the European tradition of Bakunin and Kropotkin, and American individualism. Each side rejected the other's anarchist credentials. [Martin op. cit., 221-22]

On the whole, Tucker was very sympathetic to the cause of labor, and believed that most violent conflict between workers and bosses were instigated by the latter, or were ultimately caused by the coercive intervention of the state on behalf of capital. In regard to an 1887 sympathy strike by the Knights of Labor, Tucker wrote in his "Picket Duty" column:

> *The methods pursued by District Assembly 49 of the Knights of Labor in the conduct of the recent strike have diven Mayor Hewitt and divers other capitalistic publicists into a state of frenzy, so that they now lose no opportunity to frantically declare that one set of men must not be permitted to deprive other sets of men of the right to labor. This is a white-bearded truth, but, when spoken in condemnation of the Knights of Labor for ordering members in one branch of industry to quit work for the purpose of strengthening strikers in another branch by more completely paralyzing business, it is given a*

tone of impertinence more often characteristic of callow juvenility than of venerable old age. I can't see for my life whose liberty is encroached upon by such a procedure. Certainly not that of the men ordered to quit, because they joined the Knights, a voluntary organization, for certain express purposes... Certainly not, on theother hand, that of the employers who thus lose their workmen, because, if it is no invasion of liberty for the individual workman to leave his employer in obedience to any whim whatsoever, it is equally no invasion of liberty for a body of workmen to act likewise... All this outcry simply voices the worry of the capitalists over the thought that laborers have learned one of their own tricks,–the art of creating a corner. The policy of District Assembly 49... was simply one of cornering labor, which is much easier to justify than cornering capital, because the cornered labor is withheld... by its rightful owners, while the cornered capital is withheld bymen who never could have obtained it except through State-granted privilege to extort and rob. [**Instead of a Book** 162-63]

In the same year, Tucker portrayed the outrage over the "yellow dog contract" as misdirected, considering it more to the point to focus on the system of privilege that forced workers to sell their labor on such terms.

All the indignation that is rife over the decision of Worcester shoe manufacturers and Chicago master builders to employ only such men as will sign an agreement practically excluding them from their unions is very ill spent. These employers have a perfect right to hire men on whatever conditions the men will accept. If the latter accept cruel conditions, it is only because they are obliged to do so. What thus obliges them? Law-sustained monopolies. Their relief lies, then, not in depriving employers of the right of contract, but in giving employees the same right of contract without crippling them in advance. [Ibid. 163]

In general, he was ambivalent on the issue of unions as such, and tended to take ad hoc positions on individual cases. He was, as we said, skeptical about the benefits of collective bargaining; but as Martin characterized it, "*he was impressed more with their potentialities than their operation in his time.*" He described unions as "*a crude step in the direction of supplanting the State,*" involving a tendency "*for self-government on the part of the people, the logical outcome of which is ultimate revolt*" against statist privilege. Although he considered strikes as justified and entirely defensive, he saw the only road to real victory as a prolonged period of "*consolidated passive resistance.*" [Martin op. cit. 231] In this last, he sounds remarkably like later Wobbly advocates of slowdowns, "work to rule," and other forms of direct action.

In a prescient comment that foreshadowed both Belloc's "servile state" and "corporate liberal" critiques of the New Deal social contract, Tucker had some hard words for those who saw a panacea in compulsory government arbitration of labor disputes.

Of all the demands made upon government in the interest of labor this is perhaps the most foolish. I wonder if it has ever occured to the laborers who make it that to grant their desire would be to deny that cherished right to strike upon which they have insisted so strenuously and for so many years. Suppose, for instance, a body of operatives decide to strike in defense of an interest which they deem vital and to maintain which they are prepared and determined to struggle to the end... Suppose the decision [of the board of

> arbitration] *is adverse to the strikers. They are bound to accept it, the arbitration being compulsory... What then has become of their right to strike? It has been destroyed... Labor thus would be prohibited by law from struggling for its rights.* [Ibid. 172-73]

The greatest danger for labor was the temptation to turn to Parliamentary solutions to its problems.

As Adam Smith said, when the state regulates the relations of masters and workmen, it has the masters for its counselors. Tucker's warning was borne out by the Railroad Labor Act, which accomplished with boards of arbitration what Cleveland could only accomplish with federal troops in the Pullman Strike. And whatever apparent gains were achieved by the Wagner Act were soon paid for under the Taft-Hartley provisions against boycotts, sympathy strikes, general strikes, etc. Just about every tactic that led to victory for the IWW before 1920, or for the CIO in the mid-30s, was criminalized by Taft-Hartley. By then it was too late for the corrupt labor bureaucracy to repudiate its corrupt bargain with FDR. From that point on it continued to collaborate in Taylorist and Fordist policies that deskilled workers and paved the way for the strategic defeat of unionism in the 80s and 90s. From that point on, the labor bosses were willing to cooperate with the bosses and the authoritarian police state in the program of loyalty oaths, and expelling the very labor activists who had led them to victory in the 30s. Tucker was right! So will it always be when labor hitches its wagon to the State.

More generally, Tucker tended to see all state socialist programs as opportunities for the capitalist ruling class to entrench itself under the guise of a "progressive" state.

> *As M. Schneider, the Carnegie of France, said in a recent interview with a* ***Figaro*** *reporter: "Even if we were to have a collectivist system of society and my property should be confiscated, I believe that I am shrewd enough to find a way to feather my nest just the same." M. Schneider evidently understands State Socialism better than the State Socialists themselves.* [Ibid. 347]

This is the very phenomenon described twenty years later by William English Walling in **Socialism As it Is**, and by Belloc in **The Servile State.**

Tucker was opposed to exploitation of labor, based on artificial restrictions on access to capital; but he had no objection to the "wage system," at least in the sense of money payment for labor. He was vehemently opposed to any system of collectivism that would obscure the quantitative relation between labor's product and its pay. The implication of the labor theory of value, as he understood it, was to make sure that each worker was paid the full value of his work; a system of payment "according to need" was just another way of robbing the producer. In response to Most's outrage over his position on the selling of labor, Tucker responded:

> *Really, in the last analysis, labor is the only thing that has any title to be bought or sold. Is there any just basis of price except cost? And is there anything that costs except labor or suffereing (another name for labor)? Labor should be paid! Horrible, isn't it? Why, I thought that the fact that it is not paid was the whole grievance. "Unpaid labor" has been the chief complaint of all Socialists, and that labor should get its reward has been their chief contention. Suppose I had said to Kropotkine that the real question is whether Communism will permit individuals to exchange their labor or products on their own terms. Would Herr Most have been so shocked?...*

> *If the men who oppose wages–that is, the purchase and sale of labor–were capable of analyzing their thoughts and feelings, they would see that what really excites their anger is not the fact that labor is bought and sold, but the fact that one class of men are dependent for their living upon the sale of their labor, while another class of men are relieved of the necessity of labor by being legally privileged to sell something that is not labor, and that, but for the privilege, would be enjoyed by all gratuitously. And to such a state of things I am as much opposed as any one. But the minute you remove privilege, the class that now enjoys it will be forced to sell their labor, and then, when there will be nothing but labor with which to buy labor, the distinction between wage-payers and wage-receivers will be wiped out, and every man will be a laborer exchanging with fellow-laborers.* [**"Labor and its Pay,"** in **Individual Liberty**]

Although Tucker was sympathetic to the plight of labor, and endorsed (albeit unenthusiastically) collective bargaining, he was vehemently opposed to direct action to achieve actual worker control of the workplace. He considered such action to be initiating aggression, and preferred to rely on the elimination of privilege to eliminate exploitation and improve working conditions. There is some contradiction here with Tucker's position on the land. He apparently did not see how his principles on absentee ownership of land could be applied to absentee ownership of the workplace.

In regard to the land, he treated the occupier as the actual owner, and defined any attempt by a landlord to enforce absentee ownership claims as an invasion to be defended against. The tenant, as occupier, was simply engaging in legitimate self-defense when he repulsed the landlord. [Ibid. 325] Why not draw a parallel to syndicalist action in industry? The facilities are occupied and used by workers. Why not organize therefore treat the workers as owners, and organize collective self-defense against aggression by those who assert "ownership" by virtue of holding shares of stock?

Tucker was what today is sometimes called an "evolutionary" anarchist, who saw the necessity of abolishing the state gradually and in stages. The stages should take place in the order least likely to produce dislocation or injustice to labor. Tucker referred favorably to Proudhon's admission

> *that to abolish* [the tariff] *monopoly before abolishing the money monopoly would be a cruel and disastrous policy, first, because the evil of 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 benefit of the insatiable demand for labor which a competitive money system would create.* [**"State Socialism and Anarchism,"**in **Individual Liberty**]

By abolition of the state he meant, "*not its overthrow, but, as Proudhon put it, its dissolution in the economic organism."*

> *This being the case, the question before us is not… what measures and means of interference we are justified in instituting, but which ones of those already existing we should*

> *first lop off. And to this the Anarchists answer that unquestionably the first to go should be those that interfere most fundamentally with a free market…* [**Instead of a Book** 104-105]

This should not be confused with "reformism," because it did not aim at a reformed version of capitalism. Tucker's final goal was nothing less than total abolition of the state. Reformism is properly defined not by the speed or the methods, but by the end goal.

The process of absorbing the political within the economic, as Tucker envisioned it, foreshadowed Landauer's idea of replacing one set of relationships with another. As Martin described it,

> *the following remedial action was suggested; that in any given city a sizeable number of anarchists begin a parallel economy within the structure of that around them, attempting to include in their ranks representatives of all trades and professions. Here they might carry on their production and distribution on the cost principle, basing their credit and exchange system upon a mutual bank of their own which would issue a non-interest-bearing currency to the members of the group "**for the conduct of their commerce**," and aid the disposal of their steadily increasing capital in beginning new enterprises. It was Tucker's belief that such a system would prosper within the shell of the old and draw increasing attention and participation from other members of the urban population, gradually turning the whole city into a "**great hive of Anarchistic workers**."* [op. cit. 249]

This vision belongs in a common category with such libertarian notions as "building the structure of the new society within the shell of the old," "counter-institutions," and "dual power."

Tucker favored achieving the final transition, not through a violent or dramatic crisis, but by means of peaceful non-cooperation with the state. He was not a pacifist, in the sense of opposing violence on principle, but saw the use of violence against the state as counter-productive unless the state became so repressive as to leave no other choice. So long as the state allowed free speech and a free press, it was better to act by persuasion. [**Instead of a Book** 439]

After a prolonged period of gradual dismantling of the state, and a process of popular education, a large enough segment would come around to anarchist principles to render the society ungovernable. The more people who perceived the state as illegitimate and refused to cooperate, the harsher the state's reprisals would have to be, and the more popular sympathies would turn to anarchism. When twenty per cent of the population reached the point of refusing to pay taxes and rent, the cost of enforcing the law would exceed the returns collected, and the system would collapse. [Ibid. 412]

> *Power feeds on its spoils, and dies when its victims refuse to be despoiled. They can't persuade it to death; they can't vote it to death; but they can always starve it to death. When a determined body of people, sufficiently strong in numbers and force of character to command respect and make it unsafe to imprison them, shall agree to quietly close their doors in the faces of the tax-collector and the rent-collector, and shall, by issuing their own money in defiance of legal prohibition, at the same time cease paying tribute to the money-lord, government… will go by the board.* [Ibid. 415-16]

Tucker's evolutionary approach was closely related to his vision of how a future free society would function. Central to the goal of achieving such a society was an educational effort to spread libertarian ethics in the general population. Without such a widely-shared libertarian ethic, authority would simply reestablish itself. But if the process of dismantling the state one piece at a time coincided with the educational project, the populace would be prepared to deal ethically with one another without the state.

> *If government should be abruptly and entirely abolished to-morrow, there would probably ensue a series of physical conflicts about land and many other things, ending in reaction and a revival of the old tyranny. But if the abolition of government shall take place gradually, beginning with the downfall of the money and land monopolies and extending thence into one field after another, it will be accompanied by such a constant acquisition and steady spreading of social truth that, when the time shall come to apply the voluntary principle in the supply of police protection, the people will rally as promptly and universally to the support of the protector who acts most nearly in accordance with the principles of social science as they now rally to the side of the assaulted man against his would-be murderer.* [Ibid. 329]

This anarchist ethic was characterized by a spirit of mutual forbearance, a willingness to bend over backwards to avoid making one's neighbors feel uncomfortable or constrained by one's own preferences, while at the same time trying to avoid serious offense against one's neighbor's happiness. Tucker's fellow individualist John Beverley Robinson, in a letter to **Liberty**, argued that "*what constitutes aggression can be settled only by compact between individuals.*" To form such a compact, he judged that "*the opinion of the one that thinks he is encroached upon must be final if it cannot be removed by argument...*"

> *If any action is persisted in which any one conceives to be an aggression upon him, it virtually is an aggression; and the friend of liberty is compelled to recognize it as such and to recede, rather than to inflict injury in continuing his course.*

Tucker denied that "*the line between liberty and aggression*" could in this way be "*drawn with scientific exactness,*" and saw the solution as teaching the Mrs. Grundys of the world not to be so stiff-necked and easily offended.

> *The moment one abandons the idea that he was born to discover what is right and enforce it upon the rest of the world, he begins to feel an increasing disposition to let others alone and to refrain even from retaliation or resistance except in those emergencies which immediately and imperatively require it...* [T]*he individual who traces the connection between liberty and the general welfare will be pained by few things so much as by the consciousness that his neighbors are curtailing their liberties out of consideration for his feelings... The man who feels more pained at seeing his neighbor bathe naked than he would at the knowledge that he refrained from doing so in spite of his preference is invariably the man who believes in aggression and government as the basis of society...* [Ibid. 73-74]

Although the society Tucker pictures as the outgrowth of abolition of privilege seems quite idyllic, he saw inherent limits to the good that could be accomplished. Some evils would remain

by the nature of things, and would be easier to bear than any proposed remedy. A system of land tenure based on occupancy and use would not end the phenomenon of economic rent. Eliminating all legal privileges of usurer and landlord would not stop some from collecting unfairly high wages based on innate skills obtained at no special cost or effort. And even with the fullest possible application of the cost principle, there would still be cases of what welfare theorists call the "free rider" problem in providing public goods.

> *"How are we to remove the injustice of allowing one man to enjoy what another has earned?" I do not expect it ever to be removed altogether. But I believe that for every dollar that would be enjoyed by tax-dodgers under Anarchy, a thousand dollars are now enjoyed by men who have got possession of the earnings of others through special industrial, commercial, and financial privileges granted them by authority in violation of a free market.*[Ibid. 104-105]

Later in life, Tucker became ambivalent about the prospects for reversing the power of capital merely by abolishing the legal guarantees of privilege. In a later postscript to **"State Socialism and Anarchism,"** published in 1911, Tucker argued that the concentration of capital had gone so far that abolishing the money monopoly would no longer be sufficient to end it. He modified it in 1926 to the following version, included by Swartz in **Individual Liberty**:

> *Today the way is not so clear. The four monopolies, unhindered, have made possible the modern development of the trust, and the trust is now a monster which I fear, even the freest banking, could it be instituted, would be unable to destroy. As long as the Standard Oil group controlled only fifty millions of dollars,the institution of free competition would have crippled it hopelessly; it needed the money monopoly for its sustenance and its growth. Now that it controls, directly and indirectly, perhaps ten thousand millions, it sees in the money monopoly a convenience, to be sure, but no longer a necessity... Were all restrictions on banking to be removed, concentrated capital could meet successfully the new situation by setting aside annually for sacrifice a sum that would remove every competitor from the field.*
>
> *If this be true, then monopoly, which can be controlled permanently only by economic forces, has passed for the moment beyond their reach, and must be grappled with for a time solely by forces political or revolutionary. Until measures of forcible confiscation, through the State or in defiance of it, shall have abolished the concentrations that monopoly has created, the economic solution proposed by Anarchism and outlined in the forgoing pages–**and there is no other solution**–will remain a thing to be taught to the rising generation, that conditions may be favorable to its application after the great leveling. But education is a slow process... Anarchists who endeavor to hasten it by joining in the propaganda of State Socialism or revolution make a sad mistake indeed. They help to so force the march of events that the people will not have time to find out, by the study of their experience, that their troubles have been due to the rejection of competition. If this lesson shall not be learned in a season, the past will be repeated in the future...*

Swartz appended a further note of his own to **"State Socialism and Anarchism**," pointing out that in its final form, the amended postscript implied that abolishing the four monopolies

together could, even yet, break the power of concentrated capital. Tucker himself failed to see what Gabriel Kolko [**The Triumph of Conservatism**] later grasped with 20-20 hindsight: the fact that the trust movement was a failure. Standard Oil was so heavily leveraged in buying out its competitors, that it was unable to undersell them in the long run. Over a decade, its market share fell by ten percent in the face of competition from more efficient upstarts with lower costs.

Although American mutualism reached its full development in Tucker, a couple of figures after him filled in things that were wanting in his thought. The first, Joseph Labadie, was much more actively sympathetic to organized labor than Tucker. He started out as a writer for several Detroit socialist and labor papers, and maintained his relations with them after he became a regular contributor to **Liberty.** Labadie attempted to bridge the gap between Tucker's individualism and the labor movement, first with the Knights of Labor, and then with the quasi-syndicalism of the I.W.W. He argued, within organs of the labor movement, against democratic socialist and parliamentary approaches, and may have contributed to the anti-political tendencies behind the formation of the Wobblies. But unlike Tucker, he was optimistic about the prospects of labor organization to secure a reduction in hours without decreasing pay or speeding up production. Unlike Tucker, he agreed with the populists on federal control of "natural monopolies" like transportation infrastructure, but he agreed with Tucker that shools, banks, post offices, etc., should be placed under the control of private associations. [Martin 243-45]

Dyer Lum, like Labadie, tried to bridge the gap between Tucker's circle and the labor movement. [Unless otherwise noted, the material on Lum comes from Frank H. Brooks, **Ideology, Strategy and Organization**] And like de Cleyre (about more which below), he also tried to bridge the gap between the native individualists and the immigrant anarcho-communists and syndicalists. Like Tucker and the other individualists, Lum came out of the general culture of reform, and participated in many of its currents before he arrived at anarchism. He was involved with the Labor Reform Party in the 1870s, and worked as a bookbinder and labor journalist. From this involvement he made connections with the Greenback Party and the eight-hour movement. Under the influence of the Georgists, he blamed the U.S. government's land grants to corporations and its restrictions on homesteading for much of labor's dependant position. From the Greenback Party, Lum moved on to the Socialist Labor Party in 1880, and by the mid-80s was involved in the International Working People's Association. Unlike most others in the International, however, Lum analyzed capitalism from a radicalized laissez-faire perspective much like that of the individualists.

Although Lum had apparently started out sharing many of the collectivist assumptions prevalent in the labor and socialist movement, under the influence of Herbert Spencer and (more importantly) Proudhon he had gravitated toward a mutualist theory of economics. He was therefore much closer to mainstream Proudhonianism than to Tucker's individualists. And having a history of involvement in both camps, he was (like de Cleyre) one of the few figures bridging the gap between them. And accordingly, he had a vision of anarchist unity much like de Cleyre's "anarchism without adjectives." His economic views were an unusual combination of laissez-faire and the Chicago labor movement's hatred of the "wages system." He perceived that the electoral disasters of the SLP and Greenback-Labor Party had left a leadership vacuum in the radical labor movement, that could be filled by anarchists if they were smart enough to make their message relevant to labor.

From 1885 on, as Brooks described it, Lum tried to fuse "*working-class organization, revolutionary strategy, and mutualist economics*" into a united radical movement. He did not wish to unite

the various groups behind any dogmatic party line, but only to create ties of affinity between them and enable them to work together tactically in "*a pluralistic anarchistic coalition.*"

> *From the collectivists, he kept the strategic focus on organizing proletarians as a revolutionary class. From the individualists, he kept ideological focus on an anarchist economics that was theoretically sophisticated and grounded in labor reform and laissez-faire. At the same time, Lum's alloy had an external function, creating a radical labor ideology that could attract enough adherents to become a significant force for revolutionary social change. His appeals to American and European history and thinkers, his commitment to solving the "labor problem," and his advocacy of forcible efforts at social change were all designed to make anarchism a magnet to radicalized workers.*

And as de Cleyre was to do in "**Anarchism and American Traditions,**" Lum appealed to the radically libertarian republicanism of the Revolution, especially to the rhetoric of Paine and Jefferson, as precursors to the native populist strands of anarchism.

From Proudhon, he drew a conception of statist privilege as central to capitalist exploitation, and of banking and land tenure reforms as the solution. The financial theory of Greene and the land reforms of Ingalls figured centrally in forming his theory. He completed this picture of a mutualist economy with the principle of producer cooperation, not only at the level of artisan production, but in large-scale industrial associations. In regard to this latter goal, he viewed labor unions not only as a weapon against existing evils, but as the nucleus of a future industrial organization formed around the "associated producers." Like Sorel, he drew syndicalist conclusions from Proudhon's mutualism.

Lum did not believe Tucker's program of education, counter-economics and passive resistance would be enough. He believed the state would initiate violence at some point to resist the triumph of a workers' movement. Like chattel slavery, wage slavery would not be abolished through a "quaker policy" alone.

In the aftermath of Haymarket and the ensuing anti-radical repression, individualists like Tucker reacted harshly to their perceived differences with the collectivist immigrants, and the anarchist movement was torn by increasing dissension. At the same time, Lum was compelled to downplay his references to revolution in order to avoid prosecution. Nevertheless he continued to hope for improved relations between the two camps. He made the acquaintance of de Cleyre and influenced her thought.

In the 1890s, Lum placed increasing stress on "*inoculating trade unions with anarchist principles.*" He became closely associated with the AFL and was on the personal staff of Gompers. He wrote a pamphlet, **The Economics of Anarchy,** that was designed to introduce workers' study groups to mutual banking, land reform, cooperation, and other mutualist practices. He also associated himself with the Homestead and Pullman strikes, and the wave of mining strikes out west that led to the formation of Haywood's Western Federation of Miners.

Lum deserves a great deal of credit for fusing so many disparate strands of radicalism into a uniquely American ideology. He tied a radical vision of working class power to a fairly sophisticated understanding of classical and mutualist economics, and framed them in terms of native American symbols. He is very much a model for any future libertarian labor movement, if it is to be successful. As David De Leon wrote in **The American as Anarchist,** a distinctly American workers' movement will be more likely to adopt the Gadsden Flag than the Red-and-Black.

Voltairine de Cleyre, like Lum, served as an antidote to Tucker's dogmatic attempts to excommunicate anarcho-communists from the "real" anarchist movement. In fairness we must remember that Tucker gave a great deal of space in **Liberty** to his ideological opponents. He also demonstrated stong solidarity in coming to the defense of victims of the state (e.g. the Haymarket martyrs) whom he refused to recognize as genuine anarchists. Many of the most important statements of Tucker's doctrine took the form of a catechism, in which he answered a long series of questions in a reader's challenging letter, or refuted an opposing argument point by point. As we saw above, he insisted on including his opponents' arguments in full in **Instead of a Book**, although they lengthened it considerably and may have priced it out of the market for some.

Nevertheless, Tucker became almost bigoted in his obsession with the doctrinal errors of others. Anarcho-communist European immigrants attacked him, with some justice, for setting himself up as a "pope" of anarchism, although the intolerance was often mutual. Tucker condemned most communalist forms of anarchism as state socialism in fact, on the grounds that seizure of the means of production against the capitalist's will was initiation of force (i.e., government). The communalists, on the other hand, regarded markets and private property as tantamount to capitalism, as the reference above to Most's criticism of wages indicates. [Martin 221-27]

De Cleyre was originally an individualist. By the mid-1890s, under the influence of both intellectual and romantic association with Dyer Lum, she moved toward a more orthodox mutualism. As a result of living in the Philadelphia ghetto at the time, and perhaps also as a result of her weak physical constitution, she "*felt greater sympathy than Tucker for the immigrant, the worker, the poor.*" [Avrich **An American Anarchist** 144-45] Avrich denies, however, Emma Goldman's claim that de Cleyre later became an anarcho-communist. She continued to believe until the end of her life that "*the amount of administration required by Economic Communism would practically be a meddlesome government.*" With her native American inclination to mind her own business, she was leery even of the authoritarian tendencies of private police under individualism and mutualism. [Ibid. 147-49]

Although she admired his sharp intellect, de Cleyre was troubled by the divisive effects of Tucker's dogmatism. In a 1907 letter, she referred to him as "*sending his fine hard shafts among friends and foes with icy impartiality, hitting swift and cutting keen–and ever ready to nail a traitor.*" In response to these concerns, and to a concern for anarchist unity she shared with Lum, she adopted her "anarchism without adjectives." [Ibid. 145]

"Anarchism without adjectives" was originally the work of two Spanish anarchists, Ricardo Mella and Fernando Tarrida del Marmol. De Cleyre met the latter in London in 1897. The Spaniards worked out their theory in response to doctrinal debates between individualists, mutualists, and communists that tore the movement apart in the 1880s. Tarrida declared that *"we are anarchists, and we proclaim anarchy without adjectives. Anarchy is an axiom; the economic question is secondary."* He argued that Proudhon, Bakunin and Kropotkin agreed on the abolition of the state, and that their economic ideas were complementary rather than mutually exclusive. [Ibid. 149-50]

Errico Malatesta and Max Nettlau adopted the "anarchism without adjectives" position. Nettlau viewed both the communistic and individualistic tendencies in anarchism as vital. And, as Avrich paraphrased his argument, "*economic preferences will vary according to climate, customs, natural resources, and individual tastes, so that no single person or group can possess the correct solution.*" Nettlau made this case in 1914 in **Freedom** and **Mother Earth.** Lum, in the meantime,

had on his own adapted a tolerant position, treating matters of economic system as secondary to the elimination of the state. [Ibid. 150-51]

Although it was a widespread view in America, de Cleyre by the turn of the century had been identified as the primary exponent of "anarchism without adjectives." In her article "**Anarchism,**" published in **Free Society** in 1901, she criticized the dogmatists who believed that "*no Anarchism is possible without that particular economic system as its guarantee.*" She argued, in response, "*that all these economic conceptions may be experimented with, and there is nothing un-Anarchistic about any of them until the element of compulsion enters and obliges unwilling persons to remain in a community whose economic arrangements they do not agree to.*" She speculated that the various economic systems might be "*advantageously tried in different localities. I would see the instincts and habits of the people express themselves in a free choice in every community; and I am sure that distinct environments would call out distinct adaptations.*" In another article in 1907, she wrote that "*Liberty and experiment alone can determine the best forms of society.*" [Ibid. 154]

A.1.2. WHAT ARE THE ORIGINS OF MUTUALIST ORGANIZATION?

As Kropotkin showed in **Mutual Aid**, voluntary association for mutual aid is as old as the human race, and resurfaces whenever the authoritian state is at an ebb: *"...as soon as the States relax the iron laws by means of which they have broken all bonds between men, these bonds are at once reconstituted..."* [p. 249] And innumerable examples can be found in every country and culture. But as our concern here is with the rise of mutualism as an organized and self-conscious movement, we start with its origins in England and Western Europe, and restrict ourselves to organized mutualist bodies.

The typical form of mutualist organization for English laborers was the friendly society, or mutual benefit society. Friendly societies did not suddenly spring up in the 1790s, of course. Their origins have been traced back at least to the Seventeenth Century. The first English friendly society, according to M. F. Robinson (**The Spirit of Association** p. 142) was organized in 1634. A group of French Protestant refugees formed a London Friendly Society in 1666. The Oddfellows, one of the most famous fraternal orders, was formed early in the following century. (Ibid. p. 146) Such societies were remarked on favorably by Daniel Defoe. (Ibid. p. 141)

Of course if we ignore the artificial distinction between friendly societies, guilds and unions, they go back much further into the High Middle Ages, and last into the twentieth century. (Ibid. p. 107) Indeed such forms of organization are arguably at the root of our liberties. According to G. Unwin, "[t]he political liberty of Western Europe has been secured by the building up of a system of voluntary associations, strong enough to control the State..." (**The Guilds and Companies of London**, quoted in Robinson p. 6) (Cf. Nisbet on intermediate organizations)

But despite the antiquity of its origins, the friendly society came into its own as a dominant form of working class radicalism and self-organization only in the 1790s. The correspondence society, for example, made its first appearance around this time, in the atmosphere of revolutionary contagion emanating from France. E.P. Thompson described the corresponding societies as the first specifically working class political organizations in history. They were a break with the past tradition of working class mobs organized (like the Wilkesite mobs), not by themselves, but by outside interests. (**The Making of the English Working Class** pp. 20-21)

> *…the London crowd of the 1760s and 1770s had scarcely begun to develop its own organization or leaders; had little theory distinct from that of its "managers"; and there is a sense in which it was manipulated and called out by Wilkes to "operate on behalf of external interests"…* (Ibid. p. 70)

The corresponding societies of the 1790s, on the other hand, showed the same forms of organization that were to characterize the friendly societies in general.

> *…there are features, in even the brief description of its first meetings, which indicate that a new kind of organization had come into being–features which help us to define (in the context of 1790-1850) the nature of a "working-class organisation". There is the working man as Secretary. There is the low weekly subscription. There is the intermingling of economic and political themes… There is the function of the meeting, both as a social occasion and as a centre for political activity. There is the realistic attention to procedural formalities. Above all, there is the determination to propagate opinions and to organize the converted…* (Ibid. p. 21)

To see what the corresponding societies were up to, an outside perspective from a member of the upper classes might be helpful. In the early 1790s the Secretary at War sent the Deputy Adjutant-General to survey the effect that Paine's radical doctrines were having on the reliability of the troops. He was horrified at the activities of the Sheffield Corresponding Society (along with the London Society, one of the two most important in the nation). He described the society (in Thompson p. 103) as 2500 of "the lowest mechanics," in which

> *the seditious doctrines of Paine and the factious people who are endeavouring to disturb the peace of the country had extended to a degree very much beyond my conception… Here they read the most violent publications, and comment on them, as well as on their own correspondence not only with the dependent Societies in the towns and villages in the vicinity, but with those… in other parts of the kingdom.*

The Sheffield Society grew out of a group of "five or six mechanics… conversing about the enormous high price of provisions," and quickly grew into the thousands. It was divided into small meetings, or "tythings," of ten members each, who elected delegates in turn to higher meetings of ten, and so on, until the whole society was organized along the pattern of direct democracy and federation that was to become so much a part of the labor movement. Their officers *"were all journeymen or craftsmen in the Sheffield industries."* (Thompson pp. 149-150.)

This pattern of organization is very much in the spirit described by Hannah Arendt in **On Revolution**, of spontaneous, grass-roots organs of local self-government that spring up in periods of revolutionary crisis. The Russian soviets of 1905 and 1918, the *rate of 1918* in Germany, etc., were quite similar. Had the social unrest of the 1790s resulted in a republican revolution in England, the corresponding societies might well have formed the foundation of a "soviet republic."

The corresponding societies were a valuable tool for self-education. And at the same time, they emphasized order and self-discipline as a necessary part of fraternity. As R. Birley described them, in **The English Jacobins** (quoted in Thompson pp. 154-155), their *"usual mode of proceeding"* at weekly meetings was along these lines:

> *The chairman (each man was chairman in rotation) read from some book... and the persons present were invited to make remarkes thereon, as many as chose did so, but without rising. Then another portion was read and a second invitation given. Then the remainder was read and a third invitation was given when they who had not before spoken were expected to say something. Then there was a general discussion... The moral effects of the Society were great indeed. It induced men to read books instead of spending their time at public houses. It taught them to think, to respect themselves, and to desire to educate their children. It elevated them in their own opinions.*

This is vital. For ten, twelve, or fourteen hours a day, six days a week, most of these men were held in absolute contempt. They were human raw material, means to an end, chattels whose values, opinions and desires were less than worthless. They worked in an environment in which prototypical "industrial engineers" like Andrew Ure looked for ways to deskill the work force, and to make the work process as independent as possible of the judgment of workers on the shop floor. But in these meetings, "the stone that the builder refused became the head cornerstone."

The society of correspondence was but one face of the friendly society. Besides its political manifestation, there was the economic. Small artisans and factory laborers "sought to insure themselves against sickness, unemployment, or funeral expenses through membership of 'box clubs' or friendly societies." Such common endeavors, combined with the need to exercise vigilance over a body to whom they had entrusted their funds, were a school in self-discipline and participatory democracy. (Thompson p. 419).

> *In the very secretiveness of the friendly society, and in its opaqueness under upper-class scrutiny, we have authentic evidence of the growth of independent working-class culture and institutions. This was the sub-culture out of which the less stable trade unions grew, and in which trade union officers were trained. Union rules, in many cases, were more elaborate versions of the same code of conduct as the sick club...*
>
> *In the simple cellular structure of the friendly society, with its workaday ethos of mutual aid, we can see many features which were reproduced in more sophisticated and complex forms in trade unions, co-operatives, Hampden Clubs, Political Unions, and Chartist lodges. At the same time the societies can be seen as chrystallizing an ethos of mutuality very much more widely diffused in the... personal relations of working people, at home and at work. Every kind of witness in the first half on the 19th century... remarked upon the extent of mutual aid in the poorest districts. In times of emergency, unemployment, strikes, sickness, childbirth, then it was the poor who "helped every one his neighbour".* (Thompson, pp. 421, 423.)

One observer of Lancashire expressed his astonishment at how working men bore

> *the extreme of wretchedness with a high tone of moral dignity, a marked sense of propriety, a decency, cleanliness, and order... which do not merit the intense suffering I have witnessed. I was beholding the gradual immolation of the noblest and most valuable population that ever existed in this country or in any other under heaven.* (W. Cooke Taylor, **Notes of a Tour of the Manufacturing Districts of Lancashire** (1842), quoted in Thompson p. 423.)

The friendly society, in its many guises, was the genesis of the radical political party, the labor union, the cooperative, and the association for mutual aid. Bob James criticizes (in **"The Tragedy of Labour History"**) the tendency of orthodox labor history to impose an artificial distinction between trade unions and the rest of the friendly societies. The intent is to treat trade unions, narrowly defined, as "modern," and to dismiss or marginalize the broader culture of friendly societies (rites, regalia, and all) as outmoded or atavistic.

But to do this is to impose an anachronistic interpretation on the past. James points out that the trade unions were very much a part and outgrowth of the friendly society phenomenon, and shared the same symbolism and ceremony as the Masons, Oddfellows, etc. The ceremonies, whether in the trade unions or other benefit societies, *"were part of a living culture reflective of the needs, anxieties, expectations or desires of the people using them."*

> *...it makes much more historical sense to see the core of Labour History as a range of benefit societies, and to see what are called "trade unions" as just one culturally-determined response within a group and along a time-line...*
>
> *What we now call "trade unions" were and are benefit societies, just like the Grand United Oddfellow and Freemason Lodges... Concern about working conditions and the strategy of withdrawing labour, "going on strike", developed naturally out of the lodge habit of insuring against all sorts of other future dangers. Strike pay was just another benefit covered by contributions...*

This tradition of the union as a fraternal society and lodge survived into the rites and lore of the Knights of Labor. (cf. **The Politics at God's Funeral** on religious-influenced ceremonial among displaced peasants in new industrial cities; resemblance of union ceremonies to Catholic or Protestant liturgy in respective areas.)

The potential of benefit societies to improve the bargaining position of workers was very real. For example the Clerk's Society (founded Newcastle, 1807) paid unemployment benefits of ten shillings a week for the first 26 weeks, extendable for another 26 weeks at the Society's discretion. (Gray, "A Brief History of Friendly Societies") It's easy to see why the state was so zealous to suppress such organizations under the Combination Acts. By providing an alternative to the dilemma of "accept work on the terms offered, or starve," they seriously undermined labor discipline and increased the independence of working people. As a survey of the enclosure movement shows us, capitalism, despite its official ideology of free markets and freedom of association, is ever willing to resort to coercion when the property and associations of ordinary people give them too much power.

Besides unemployment insurance, friendly societies provided services including sickness and disability insurance, and death benefits.

There was a broad tradition of working-class self-education, ranging from individual study to societies organized for that purpose. E.P. Thompson described this intellectual culture as it developed in the twenties and thirties:

> *The towns, and even the villages, hummed with the energy of the autodidact. Given the elementary techniques of literacy, labourers, artisans, shopkeepers and clerks and schoolmasters, proceeded to instruct themselves, severally or in groups. And the books or instructors were very often those sanctioned by reforming opinion. A shoemaker, who*

> *had been taught his letters in the Old Testament, would labour through the* ***Age of Reason****; a schoolmaster, whose education had taken him little further than worthy religious homilies, would attempt Voltaire, Gibbon, Ricardo; here and there local Radical leaders, weavers, booksellers, tailors, would amass shelves of Radical periodicals and learn how to use parliamentary Blue Books; illiterate labourers would, nevertheless, go each week to a pub where Cobbett's editorial letter was read aloud and discussed.*
>
> *Thus working men formed a picture of the organization of society, out of their own experience and with the help of their hard-won and erratic education, which was above all a political picture.* [pp. 711-712]

This working class picture of the world, although it varied widely in literacy and level of sophistication, was well expressed in this note left in a supervisor's house after a break-in during an 1831 coal strike in the north-east:

> *I dinna pretend to be a profit, but I naw this, and lots of ma marrows na's te, that wer not tret as we owt to be, and a great filosopher says, to get noledge is to naw wer ignerent. But weve just begun to find that oot, and ye maisters and owners may luk oot, for yor not gon to get se much o yor own way, wer gan to heve some o wors now....* [in Thompson p. 715]

From its low level in this illustration, literacy ranged upward to self-educated tradesmen like the Leeds warehouseman James Watson, who during his imprisonment *"read with deep interest and much profit Gibbon's* ***Decline and Fall of the Roman Empire****, Hume's* ***History of England****, and Mosheim's* ***Ecclesiastical History****."* [Thompson pp. 726-727]

Workers carried out self-education in organized form in a wide variety of ways. Penny-a-month clubs were formed for buying political newspapers and periodicals. Hampden Clubs and Political Unions organized "Reading Societies," and established permanent reading-rooms in the larger towns. In the Stockport Union reading-rooms in 1918,

> *there was a meeting of class leaders on Monday nights; on Tuesdays, "moral and political readings"; on Wednesdays, "a conversation or debate"; on Thursdays, "Grammar, Arithmetic, &c" was taught; Saturday was a social evening; while Sunday was school day for adults and children alike.* [Thompson p. 717]

Coffee-houses, often combined with newsrooms, served the same function. John Doherty's "Coffee and Newsroom" in Manchester, attached to his bookshop, in 1833 took 96 newspapers each week, including unstamped underground papers. Less formal groups met in smaller towns and villages, meeting in inns or private homes. Thousands of small groups fought the high cost of taxed periodicals by clubbing together to subscribe and read them aloud. The Radical periodicals ranged from 40-60,000 weekly for Cobbett's **Register**, to the low ten thousands for others. Some of Cobbett's pamphlets ran as high as 200,000. [Thompson pp. 718-719] Thus, under the combined effects of high subscription costs and persecution, *"a reading public which was increasingly working class in character was forced to organize itself."* Indeed, the "tax on knowledge" resulted in the "great unstamped," an underground press created by and for the working class. [Ibid. pp. 727-728]

Besides societies for reading and debate, workers formed schools for basic education. The mutual improvement society, for example, "met week by week with the intention of acquiring knowledge, generally under the leadership of one of its own members." [Ibid. p. 743]

Compare this self-organized school system to the "public" schools. The latter were formed to meet the needs of the new factory system for a docile, obedient work force of regular habits, and as a source of indoctrination in "Americanism" or (in Mill's words) a "virtuous attachment" to the government. The contrast is between a system of education that treats human beings as an end in themselves, and one that treats people as human raw material, processed to serve corporation and state.

Owenism was the first major movement to combine a theoretical system with a general system of organization, and was to sweep the working class movement like a tidal wave in the 20s and 30s. But as we mentioned above in the section on theory, Owen's theory and organization initially received a lukewarm reception from English workers, who rightly perceived him as a paternalist and suspected his motives. E.P. Thompson put Owen's initial thought in the same tradition as Andrew Ure, attempting *"to meet the same difficulties of labour discipline, and the adaptation of the unruly... labourers to new industrial work-patterns..."* [p. 780]

> *...the notion of working-class advance, by its own self-activity towards its own goals, was alien to Owen... Next to "benevolent" the words most commonly encontered in early Owenite writings are "provided for them".*
>
> *This tone presented an almost insuperable barrier between Owen and the popular Radical as well as trade union movement.* [p. 781]

The later shift in Owenism's fortunes, and its enthusiastic adoption by the working class, reflect its assimilation into a working class movement with ends and values beyond the comprehension of Owen himself. The very term "Owenism" can be misleading, if we forget it is used only for convenience: a number of parallel cooperative and labor movements were absorbed under the "Owenist" name, so that "Owenism" as an umbrella term came to include many kinds of autonomous worker self-organization.

The followers of Spence and other precursors of mutualism, although independent movements in their own right, were brought under the aegis of Owenism. More importantly, at the time of Owen's initial writing and experimentation in the teens, there were already attempts at large-scale labor organization underway. As we mentioned in the previous section, writers like John Wade at the **Gorgon** were coming to see industrial unionism and other forms of self-organization as the way for workers to create a new society for themselves. Activists like John Doherty and John Gast were building a theory of labor organization which, as E.P. Thompson described it, emphasized *"system, the workers' own power to improve their conditions, or to change the entire by the force of combination..."* Doherty, during the 20s, came to be *"at the heart of the great movements of the northern workers for general unionism, factory reform, co-operative organisation, and 'national regeneration'."* [p. 774]

Doherty's experience was with organizing the cotton-spinners. Gast, as a shipwright in the 1790s, had unsuccessfully to build a labor organization based on the St. Helena Benefit Society. During a shipwright's strike in 1802, he took part in organizing the Hearts of Oak Benefit Society. These examples illustrate the difficulty at the time of drawing clear distinctions between benefit societies, labor organizations, and political organizations. He was a leading figure during

the teens in the attempt to organize a *"General Union of all trades"* in London and Manchester. His "Committee of the Useful Classes," formed in 1822, was described by Thompson as *"an incipient 'trades council'."* In 1824, when the Thames Shipwrights Provident Union was organized, Gast was its first Secretary. With the repeal of the Combination Acts in 1825, the trade union movement emerged from the underground; at the same time, the lobbying of employers for the Acts' restoration spurred zealous political struggle by the workers' movement. Doherty and Gast achieved prominence in the political struggle of the 20s. The sheer scale of political activism, and the force of workers' outrage, led contemporary observers to fear revolution if the Acts were reenacted. [Thompson pp. 520, 774-775]

There was "something in the air" at this time, and movements toward industrial unionism, mutualist enterprises, cooperation, etc., were achieving a synergy and looking for some theoretical expression. Cole called the 20s *"the seeding-time of working-class ideas and organizations."* [**Short History** 52]

Owenism really began to pick up steam when leaders of the workers' movement like Gast and Doherty endorsed it (Gast explicitly endorsed Owenism in the late 20s). In a way, it is more accurate to say that these movements took over Owenism as their expression, than the reverse. *"...as Owenism changed its form among its plebian followers, the dream of a co-operative community upon the land acquired extraordinary force."* E.P. Thompson argued that the publication of Hodgskin's **Labour Defended** (recounted in the section on theory above) in 1825, and its reception by the trade union movement, *"represents the first clear point of junction between the 'labour economists' or the Owenites and a part of the working-class movement."* [230, 779, 795]

Whatever the reason, Owenism in the 20s reached a critical mass. It ceased to be a mere diversion of paternalistic gentlemen-reformers, and was enthusiastically adopted by the working class as its dominant form of organization. But the Owenism of the workers differed significantly from the Owenism of Owen and his patrician followers.

> *Owenite Socialism always contained two elements which never wholly fused: the philanthropy of the Enlightenment, devising "span-new systems" according to prinicples of utility and benevolence: and the experience of those sections of workers who selected notions from the Owenite stock, and adapted or developed them to meet their particular context.* [Thompson p. 780]
>
> *...Owenism, from the late Twenties onwards, was a very different thing from the writings and proclamations of Robert Owen. It was the very imprecision of his theories, which offered, none the less, an image of an alternative system of society, and which made them adaptable to different groups of working people. From the writings of the Owenites, artisans, weavers and skilled workers selected those parts which most closely related to their own predicament... Owen's [writings] can be seen as ideological raw material diffused among working people, and worked up by them into different products.* [Ibid. p. 789]

In the words of G.D.H. Cole, Owenism

> *exactly suited the younger generation of intelligent workmen who were growing up inside the new industrial order... They seized hold of Owen's doctrine of Co-operation and made it the basis of a new working-class gospel. Owen... had appealed to the rich to*

> *free the poor from their dominion, and to start the new system and teach the workers to govern themselves. The younger workers… did not see why they should not, by association, make the new order for themselves. Owen still mistrusted their power, without education, to win or exercise control. They felt more confidence in the ability of their class.* [**Short History** 54]

The artisan classes fused selected elements of Owenite thought into their *"long tradition of mutuality–the benefit society, the trades club, the chapel, the reading or social club, the Corresponding Society or Political Union."* Indeed, the initial rapid growth of the cooperative movement took place in the late 1820s, during Owen's sojourn in America.

> *Indeed, the germs of most of Owen's ideas can be seen in practices which anticipate or occur independently of his writings. Not only did the benefit societies on occasion extend their activities to the building of social clubs or alms-houses; there are also a number of instances of pre-Owenite trade unions when on strike, employing their own members and marketing the product.* [E.P. Thompson 790]

Pretty heady stuff. When Owen returned from America, he tried to *"push the new movement in his own direction,"* but found he had become a passenger rather than the driver. [Claeys, **"Intro"** I:xxxviii]

Between the mid-20s and the early 30s, societies sprang up all over Britain to promote cooperative ideas. Along with these came journals like the **United Trades' Co-operative Journal**, the **Lancashire and Yorkshire Co-operator**, etc. Continuing the earlier traditions of mutualist organization, the Owenist movement organized reading-rooms, travelling lecturers, and schools. [E.P. Thompson 792-793]

In 1827 a group of workers from the Brighton Mechanics' Institution formed, with advice from a Dr. William King, the Brighton Co-operative Society. Following on its success, *"other stores and productive associations soon arose out of it."* In 1828, King founded **The Co-operator** as a national journal of the cooperative movement. [Cole, **Short History** 76-77]

In 1829 the British Association for the Promotion of Co-operative Knowledge was formed as a central body, with its journal **British Co-operator**. Lovett and other London artisans used the Association and the journal as organs of national propaganda in favor of cooperation. [E.P. Thompson; Cole, **Short History** 77]

The early labor movement intersected with the cooperative movement in all sorts of interesting ways. Especially from the late 20s on, the trade unions began to operate in conjunction with cooperative stores.

> *As the Trade Unions grew after 1825, Owenism began to appeal to them, and especially to the skilled handicraftsmen, who were still an important element in the towns. Groups of workers belonging to a particular craft began to set up Co-operative Societies of a different type–societies of producers which offered their products for sale through the Co-operative Stores. Individual Craftsmen, who were Socialists, or who saw a way of escape from the exactions of the middlemen, also brought their products to the stores to sell."* [Cole, **Short History** 76]

This pattern of organization was characterized by

> *societies of producers, aiming at co-operative production of goods and looking to the Stores to provide them with a market. These naturally arose first in trades requiring comparatively little capital or plant. They appealed especially to craftsmen whose independence was being threatened by the rise of factory production or sub-contracting through capitalist middlemen.*
>
> *The most significant feature of the years we are discussing was the rapid rise of this... type of Co-operative Society and the direct entry of the Trades Unions into Co-operative production. Most of these Societies were based directly upon or at least very closely connected with the Unions of their trades, and many of them were actually indistinguishable from the Unions, which took up production as a part of their Union activity– especially for giving employment to their members who were out of work or involved in trade disputes...* [Ibid. 78]

The aims and overall vision of such organization was well expressed in the rules of the Ripponden Co-operative Society, formed in 1832 in a weaving village in the Pennines:

> *By the increase of capital the working classes may better their condition, if they only unite and set their shoulder to the work; by uniting we do not mean strikes and turning out for wages, but like men of one family, strive to begin to work for ourselves...*
>
> *The plan of co-operation which we are recommending to the public is not a visionary one but is acted upon in various parts of the Kingdom; we all live by the produce of the land, and exchange labour for labour, which is the object aimed at by all Co-operative societies. We labourers do all the work and produce all the comforts of life;–why then should we not labour for ourselves and strive to improve our conditions.* [Ibid. pp. 793-794]

As the reference to exchanging *"labour for labour"* suggests, the system of cooperative exchange grew beyond the level of the individual retail store. Cooperative producers' need for an outlet led to Labour Exchanges, where workmen and cooperatives could directly exchange their product so as *"to dispense altogether with either capitalist employers or capitalist merchants."* Exchange was based on labor time, with a currency of paper "labour notes." *"Owen's Labour Notes for a time not only passed current among members of the movement, but were widely accepted by private shopkeepers in payment for goods."* Of course, this was a time in which the public was used to a wide variety of private banknotes in circulation. [Cole, **Short History** 78-79]

Labor notes, although fairly successful for a while, failed because it was hard for labor values and "ordinary commercial values" to exist side by side. Goods that the Labour Exchange sold cheaper than the private tradesmen moved quickly, but those more expensive sat on the shelves. And the exchanges had trouble regulating supply to demand, because their inventory consisted of whatever was brought to them, and they were overstocked in items produced by heavily cooperative trades. [Ibid. 79-80]

The principle of labor-based exchange was employed on a large-scale. In 1830 the London Society opened an Exchange Bazaar for exchange of products between cooperative societies and individuals. [Cole, **Short History** 76] The Co-operative Congress, held at Liverpool in 1832, included a long list of trades among its participants; the b's alone had eleven trades. The National Equitable Labour Exchange, organized in 1832-33 in Birmingham and London, was a venue for

the direct exchange of products between craftsmen, using labor-notes as a medium of exchange. [E.P. Thompson 791]

These were all early expressions of mutualism as the general principle of a movement to create a new society "within the shell of the old." A whole range of mutualist institutions, including cooperative retailers, labor exchanges, and trade unions, interacted synergistically to support each other. Not only was this a method of organizing an overall movement, but it was a vision of what the new society would look like when old things passed away.

Such organizations as labor exchanges and cooperative congresses involved mainly artisan laborers, and did not address the special needs of workers employed in large-scale manufacturing. The latter were addressed by leaders in the national labor movement, who attempted to adapt the basic principles of Owenism in a syndicalist direction. As we saw above in the discussion of Proudhon in the theoretical section, the mutualism of Proudhon and Owen had a powerful resonance with the later syndicalist movement, and could be taken in many ways as prototypical of syndicalist ideas.

With the repeal of the Combination Act in 1824, the trade union movement emerged from underground. The next decade *"saw the foundation of openly constituted Trade Unions in a very large number of trades; and many combinations which had previously disguised themselves as Friendly Societies, or kept up a secret and intermittent activity, came out into the open and adopted proper codes of rules."* [Cole, **Short History** 61] There was an attempt in 1826 to create a General Union of all trades, in Manchester. [Ibid. 62]

As mentioned above, Gast endorsed Owenism in the late 20s. The Manchester Cotton Spinners, after a six-month strike in 1829, embraced Owenism. From the failure of their strike, Doherty drew the lesson:

> *It was then shown that no individual trade could stand against the combined efforts of the masters of that particular trade: it was therefore sought to combine all the trades.*

One initial response was to create, in 1829, the Operative Spinners of England, Ireland, and Scotland–an attempt at industrial unionism–which met on the Isle of Man. Cole referred to Doherty's Operative Spinners as *"the first really national Trade Union of the modern type."* [Ibid. 70] In 1830 Doherty organized the National Association for the Protection of Labour, which included *"wool textile workers, mechanics, potters, miners, builders, and many other trades"* within a hundred miles of Manchester. This grandfather of the syndicalist federation dissolved, unfortunately, in acrimony between the groups involved. Its remnants were absorbed by the Owenist Grand National Consolidated Trades Union in 1833. After Doherty, *"the history of Owenism and of general unionism must be taken together."* [Thompson 795-97; Cole 71]

The Operative Builders' Union was organized, under Owen's influence, in 1831 or 1832. Under the umbrella of this single union were included all sections of the building industry. It proposed to take over the national building industry and organize it as a Grand National Guild under the control of the OBU, by freezing out masters who didn't join and eliminating the middlemen. It was a sort of combination of the producers cooperative with what would later be called the hiring-hall system used by longshoremen. (This same method of organization is being experimented with today by temporary workers on the West Coast, incidentally, in an attempt to create cooperative temp agencies and eliminate the middlemen.) In a series of lock-outs by the masters, unfortunately, the Union was largely broken. [Cole, **Short History** 82-83]

In 1832 leaders of the London Radical artisans, meeting in the National Union of Working Classes and Others, were discussing the feasibility of a general strike (a "Grand National Holiday") of a month, by which the working classes would seize control of the state and economy. [Ibid. pp. 811-12] In language worthy of the IWW Preamble, "A Member of the Builder's Union" wrote in 1833:

> *The Trades Unions will not only strike for less work, and more wages, but they will ultimately ABOLISH WAGES, become their own masters, and work for each other; labour and capital will no longer be separate but they will be indissolubly joined together in the hands of the workers and work-women.*

A writer in **Pioneer** in 1834 proposed a House of Trades to replace the House of Commons, sounding an awful lot like an attempt at Father Haggerty's wheel. [Ibid. 829-30]

The Grand National Consolidated Trades' Union was organized in 1833-84.

Owen addressed a National Conference of Trade Unions, "Union Shopt," and Co-operative Societies at London, in October 1833, and proposed a "Grand National Union of the Productive Classes of Great Britain and Ireland," with all unions, co-ops and friendly societies organizing themselves as "affiliated lodges of this great Union." A provisional council created the GNCTU, followed by another conference the following February to make it official. [Cole, **Short History** 84-85]

G. D. H. Cole, in language bringing to mind the doctrine of full-blown syndicalism, described its purpose as

> *nothing less than the entire supercession of Capitalism and of the system of competition by a Co-operative system of workers' control. It aimed, not only at controlling industry, but at superseding Parliament and the local governing bodies, and at becoming the actual government of the country.* [Ibid. 85]

For a brief period, Owen had the position of "Grand Master" thrust upon him. Besides the One Big Union itself, many benefit societies participated in a project to form an Agricultural and Manufacturing Association, *"whereby they could apply their accumulated funds to Co-operative production."* [Claeys, **"Intro"** I:xli; Cole, Ibid. 85]

Although it had as many as a million members, including many trades, and engaged in a number of strikes, it collapsed. Even before the February conference was held, employers responded almost immediately with lockouts and the "document," a grandfather to the yellow dog contract. The Grand National, barely off the ground, was forced to conduct and finance strikes on a nationwide scale *"before it had any rules or any central fund of its own."* At one point the GNCTU levied a national one-shilling payment on its membership to support the workers involved in the single biggest lockout at Derby, but the strike finally collapsed after four months. The Union was also crippled by prosecution (under Pitt's 1797 police state legislation) of an agricultural workers' union at Tolpuddle for "administering unlawful oaths." [Cole, Ibid. 85-86; Claes, Ibid. I:xli]

The Grand National was also weakened by dissensions between Owen and the militant working class leadership. For one thing, he disapproved of the friendly society and lodge culture that permeated the labor movement. *"Owen, from the first, disapproved of these oaths and ceremonies as 'relics of barbarism'; but he was unable to prevent their continuance."* [Cole, Ibid. 86] On a more general level,

> *Owen... was... dissatisfied with the way the movement was going. He disapproved of sectional strikes, and of class-conflict, and was by temperament unfitted for leadership in a militant working-class campaign. He had sought to make a union of all the "well-disposed members of the industrious classes," and had looked to the beauty of his Co-operative scheme to convince many employers as well as workers. He had hoped by the power of union to achieve a bloodless and painless revolution; he had certainly never meant to become the leader of a mass-strike agitation.* [Ibid. 88]

In August 1834 Owen persuaded a London Conference of the Grand National to reform the Union as the "British Consolidated Association of Industry, Humanity and Knowledge." It would rely on propaganda and education, as Owen had originally envisioned, instead of the strike. A shadow Grand National persisted for a time despite its formal dissolution, but soon passed away. Many of its component unions *"survived, and reconstituted themselves as separate societies, living on to become the nuclei of the modern Trade Union movement."* {Ibid. 88-89]

After this point, *"Owen's direct contact with the Trade Unions ceased,"* and Owenism was mainly concerned thereafter with intentional communities and consumer cooperation. [Cole 89] This was probably for the best, since he still *"insisted that the working classes could not lead themselves, and said so frankly."* [Claeys, **"Intro"** I:xli]

In the meantime, by 1832 there were around five hundred cooperative societies, with at least 20,000 members. There were experiments that prefigured the farm populist movement in the U.S. and Canada, with weavers attempting the cooperative purchase of materials and the cooperative marketing of their product. [E.P. Thompson 792-93] Nevertheless, most of the cooperative organizations formed in the early 30s collapsed within a few years under the lack of capital and experience, and were later reorganized on Rochdale cooperative prinicples. [Claeys, **"Intro"** I:xxxviii, E.P. Thompson 797] The Rochdale Pioneers' Co-operative Society *"arose directly out of a local Owenite body"* in 1844. [Cole 89]

The great significance of Owenism is that it supplied, for the first time, a comprehensive theory of capitalism and of the working classes' attempts to build an alternative form of society.

> *They had learned from it to see capitalism, not as a collection of discrete events, but as a **system**. They had learned to project an alternative, utopian system of mutuality. They had passed from Cobbett's nostalgia for an older world and had acquired the confidence to plan the new... Henceforward, nothing in capitalist society seemed **given** and inevitable, the product of "natural" law.* [Idid. p. 806]

Friendly societies continued to grow in number, at an accelerating rate, into the late 19th century. In 1877, registered membership was over two and three-quarter million. Ten years later it reached over three and a half million and was increasing at an average rate of at least 90,000 a year. Membership reached 4.8 million in 1897, still increasing at an average of 120,000 a year. By 1910 membership was 6.6 million. *"It is important to remember that these figures simply reflect the numbers known to the Government. For many societies preferred to avoid even the minimal interference of the British state, and simply 'failed' to register."* The Chief Registrar of Friendly Societies estimated in 1892 that 3.8 million of 7 million industrial workers were insured against sickness through a registered friendly society, while at least another 3 million belonged to unregistered societies. The Chief Registrar praised the friendly societies in these terms:

> *it remains one of the great glories of the Victorian era that welfare has been established in a very large degree by the labours and sacrifices of working men themselves, and by the wise and judicious legislation which has permitted and encouraged their endeavour in the direction of self-help.*

By 1900 the various provident institutions controlled L400 million, and by 1911 covered nine and a half million people by some form of insurance. [Tim Evans, **Socialism Without the State**]

As was the case in Britain, the practice of mutualism predated the theory by decades. The American culture is especially predisposed toward mutual aid and cooperative endeavor. As Tocqueville described it,

> *In no country... has the principle of association been more successfully used, or more unsparingly applied to a multitude of different objects... a vast number... formed and maintained by private individuals.* [**Democracy in America**]

But American mutualist practice was revolutionized as a deliberate form of organization in the 1820s. Under the influence of Josiah Warren, originally a disciple of Owen, a cooperative movement came into being which corresponded to that in Britain at the same time.

Warren, the founder of American mutualist theory, was also a powerful creative force in mutualist practice. His most important contribution to the later was the "time store," first introduced in Cincinnati in 1827. He separated the cost of compensation for his own labor from the cost of the goods sold. The cash price of his goods was equal to his own wholesale price plus seven percent mark-up for "contingent expenses." His customers paid the cost of Warren's labor, however, in "labor notes" promising to repay an equal amount of time in the customer's trade. [Martin, **Men Against the State** 15-17] Of course in an economy organized entirely on a labor exchange basis, the retailer would have no need to separate his own operation from his transactions in a surrounding capitalist economy.

The time store was a considerable success. After a shaky start, in the first three months it so impressed neighboring retailers that one adopted his methods. Warren claimed that his methods enabled him to sell as much in an hour as was normally sold in a day. He doubled the capacity of his store within a year, but never hired wage labor. Warren considered a significant expansion of his activity to be against the spirit of his project; he wanted only to demonstrate to others that such a basis of economic activity was possible. [Ibid. 19-20] Whenever possible, he tried to undersell his competitors as much as possible, *"to provide the greatest possible contrast between the profit system and the cooperative system."* [Ibid. 21-22] Warren shut down operations of the time-store in 1830, having in mind the establishment of a colony based on his principles. [Ibid. 22]

He established a new time-store in New Harmony (still surving as a town on a largely non-Owenist basis) in 1842, again with considerable success.

> *As in Cincinnati, each individual decided the value of his own labor note, the expectation being that the general opinion of the people involved in the labor exchange would eventually set an average for the various products and services in terms of labor price.* [Martin 43]

In both Cincinnati and New Harmony, the main drawbacks of the notes themselves were the possibility of depreciation or non-redemption, both of which depended on the good faith of the issuers and the social pressure against default. But in practice the notes worked fairly well, and the potential problems of redemption for the most part failed to materialize. [Ibid. 43]

Such issues were outweighed in practice by the sabotage of the local business community, which feared the competition from an alternative system.

> *The impact of the new rock-bottom pricing on the credit structure erected by the local merchants was disastrous, but even more ominous in the eyes of the orthodox were the bi-monthly discussions of the affairs of the labor-exchange participants in the once-forbidden Rappite Community House No. 1, an affair which promised to undermine the local retail situation even more... No newspapers in the area risked the wrath of advertisers to print his few communications, and the entire affair was shunned by the prominent residents of the town.* [Ibid. 43-44]

Warren combined his labor notes with a second form of mutualist practice, that of the labor exchange based on a "report of demand." Those with specific needs for labor posted them on a chart in the time-store, and those with services to exchange posted the nature of their trade or skill. He found that there was a backlog of offers of unwanted skills, coupled with a shortage of desired skills. In part he blamed the apprenticeship system, which deliberately restricted employment, and undertook to circulate information about all kinds of skilled labor. By reducing the barriers to learning new skills, he reasoned, it would be possible to speed up the process by which people increased their opportunities by learning trades that were in demand. The labor exchange faced another problem, that of comparing the intensity of different kinds of labor, and dealing with the fact that the most unpleasant types of work were the worst paid. *"This matter he wrestled with for the remainder of his life, and was never able to satisfy himself as to the best method of solution."* [Ibid. 21]

Meanwhile Warren was involved in setting up a series of colonies: at Tuscarawas County, Ohio (1835-37); "Utopia" at Clermont, Ohio (1847-51); and "Modern Times" at Brentwood, Long Island (1850-62). All were organized around the central principle of "mind your own business," with the inhabitants supporting themselves by small-scale labor and farming, and exchanging their products through labor notes. [Schuster 98-99] The most successful of them, Modern Times, suffered, because of insufficient size, from a failure of the supply of various forms of labor to correspond with the demand. Those who practiced trades in low demand had to seek employment in New York; likewise, the colony was forced to buy some supplies in the city that were unavailable at home. [Martin 71] At the same time, the insulation of the colony from the effects of the Panic of 1857 showed that a decentralized, libertarian economic system might function without a boom-bust cycle. [Ibid. 83]

Ironically Warrenism, an offshoot of Owenism, cross-pollinated in turn the cooperative movement in Britain. Indeed, it was a major influence on the British cooperative movement of the late 1820s. The first use of labor notes by the Brighton Co-Operative Benevolent Fund Association, in November 1827, followed Warren's Ohio experiment by six months. [Ibid. 16, 16n] Warren's ideas were put into practice on a larger scale in England, over the next several years, than in America. [Ibid. 88-89] The Warrenite influence in England centered on Ambrose Caston Cuddon, who was involved with many aspects of the reform movement. He was heavily engaged in the

London Confederation of Rational Reformers, and in 1862 went on to play a major role in creating the International Working Men's Association. [Ibid. 90-91]

The development of cooperative institutions in Canada parallelled closely those in the United States. Mutual insurance was organized in the 1830s by farmers. Its success (in the face of opposition by the Retail Merchants Association) inspired the later cooperatives. The Grange movement was the direct impetus behind the formation of co-ops in the 1870s. But the cooperatives, seen as an "economic arm of Christianity," grew naturally out of the tradition of mutual aid and neighborliness. They were not nostalgic or regressive, but sought to defend society from the negative aspects of urban development. [MacPherson, **Each for All** 9-11, 116]

Every single thing done **for** us by the Twentieth Century welfare state, was done **by** us, **for** ourselves, in the Nineteenth. The only shortcoming of the friendly societies was in their resources–and this was not a fault, but an injury. Had the legal bulwarks of privilege been eliminated, and the laboring classes been able to keep the full fruit of their labor for themselves, they would have had the resources to provide a "welfare state" for themselves equal to anything existing today. But the solution of the Twentieth Century regulatory and welfare state was not to eliminate the privilege and subsidy on which capitalism depends. It was, rather, to leave the statist structural props to capitalism in place, and then to intervene further with yet more authoritarian state action to stabilize capitalism and render it palatable.

Although the Rochdale movement was originally coupled with a conscious theory of cooperation as the basis for a different kind of society, its theoretical component was gradually eclipsed in an evolution toward a sort of "business cooperativism." This was the prevailing tendency of cooperative movement in most of the twentieth century, despite its temporary revival as a kind of radical practice by various populist organizations like the Grange, People's Party, Nonpartisan League, Farmer-Labor Party, etc.

At the same time, the workers who had been involved in the Grand National turned to the Chartist movement, *"which arose swiftly out of the ashes of the 'Grand National.'"* [Cole 89-90] The Chartist movement was the first sign of the working class' turn from mutualist organization as a form of radical practice, to its reliance on parliamentary political action. [Ibid. 95] The Chartist movement conjointed with organized labor in the strike movement of 1842. They began by fighting wage cuts in response to a depression, but *"spread like wildfire and rapidly assumed, under Chartist influence, a political form."* In a tactic that foreshadowed the "flying squadrons" of the 1930s, bodies of strikers would travel from mill to mill stopping work, and removing the plugs from boilers to render them inoperable. But this movement was unable to cohere and quickly fell to pieces under the pressure of mass arrests. [Ibid. 113]

The Chartist-influenced labor federation, National Association of United Trades for the Protection of Labour, *"no longer planned a general strike or a sudden overthrow of Capitalism; it was rather a loose defensive alliance, the forerunner of the modern Trades Union Congress. Some cooperative ideas still persisted in the Chartist and labor movements. The NAUTPL organized a companion body, the National Association of United Trades for the Employment of Labour, aimed at promoting "Union Shops" (cooperative associations of producers)."* [Cole 114]

The Chartist land scheme, promoted by Feargus O'Connor, also had a mutualist ring to it. The Chartist Cooperative Land Society (later National Land Company) purchased estates and settled them with Chartist colonists. In something like George's later "single tax," they cultivated plots individually and paid rent to the Society. Althoug it was heavily influenced by Owen's system of

colonies, *"Owen had planned to cover the world with mainly self-supporting Socialist Communities; O'Connor planned to cover it with peasant villages of small holders."* [Cole 115-116]

As the above examples show, the labor and socialist movements in the nineteenth century, in both Britain and North America, continued in practice to be largely grass-roots and controlled by the working class. But Chartism nevertheless reflected a statist tendency that culminated in the takeover of the labor and socialist movement by Fabianism and Progressivism in the early twentieth century. After the crushing of the syndicalist attempts of the 1830s, the labor movement gradually evolved toward a combination of parliamentary social democratic action and "business unionism," dominated by professional labor bosses. Despite partial and periodic couner-currents like the Knights of Labor, syndicalist elements in the TUC, the IWW, and elements in the early CIO, the organized labor movement in the English-speaking world on the whole has largely abandoned direct action and self-organization, and instead hitched its wagon to the State.

A.1.3. WHAT IS THE DIFFERENCE BETWEEN MUTUALISM AND THE COOPERATIVE MOVEMENT?

There isn't much of a difference. Co-ops are a specific form of mutualism. Look at it this way, mutualism is a set of general principles and the co-ops are one of the practical forms that these principles have taken. Historically, the practical forms were developed by the working class before the general principles were propounded by political philosophers. The problem today is the loss of consciousness of cooperatives as the embodiment of a form of mutualist practice.

A.1.4. WHAT HAPPENED TO MUTUALISM?

The first reason for the eclipse of mutualism was that, as a form of working class struggle, it faced attitudes from the state ranging from grudging acceptance to outright hostility. On a broader level, the hostility of the state can be explained by its historical origins. In this passage from Mutual Aid, Kropotkin was originally describing the rise of the absolute state in the early modern period, and its suppression of the communal bodies like guilds, folkmotes, etc. But it also describes the attitude of the state in 19th century Europe quite well.

> *It was taught in the Universities and from the pulpit that the institutions in which men formerly used to embody their needs of mutual support could not be tolerated in a properly organized State; that the State alone could represent the bonds of union between its subjects; that federalism and "particularism" were the enemies of progress, and the State was the only proper initiator of further development.* [226]

From the beginning, the British state attempted to define, regulate, limit and contain mutualist organizations, and to confine them to non-threatening activities. But because the central purpose of mutualism was to increase the independence and self-sufficiency of workers, there was no room for compromise on this basis.

The first attempt by Parliament to regulate the friendly societies, according to Bob James ("Mutuality") was the Rose Act of 1793, which defined the friendly society as

> *a society of good fellowship for the purpose of raising from time to time, by voluntary contributions, a stock or fund for the mutual relief and maintenance of all and every*

the members thereof, in old age, sickness, and infirmity, or for the relief of widows and children of deceased members.

It required societies to register their Rules and office bearers. The reason the state chose the year 1793 to recognize and regulate friendly societies for the first time, was that the ideological influence of the French Revolution was reaching the common people of England at the same time that "hardship and anger" were being brought on by the industrial revolution. A real danger existed that mutual aid organizations might engage in labor combinations or political subversion.

For the government at that time, a "bad worker" combination was one which had affiliated branches connected to a head office, in other words had a federal structure and a Grand Lodge. A "bad worker" combination was also one which used its members' contributions to maintain workers who were out of work. Mutual aid was OK as long as it didn't mean that there were networks passing people or information from one lodge to another... and as long as it didn't mean that workers could refuse wages and conditions set by employers by existing on benefits. Of course, at that time those two elements... were essential parts of any decent "mutual". Neither of them appear in the "official" definition. So, defining what constituted a "friendly society" and thereby establishing a benchmark for what was "good" allowed the government to separate out the others, the "bad" combinations that could then be targeted. Because it was infringement of trade which was the real target, this was made a defining characteristic of the "bad" group, now called "trade unions".

The danger was not only economic, but also political. At a time when a fraction of a percent of the British population had the franchise and the lower classes were being contaminated by the influence of radical ideas, friendly societies with secret memberships and oaths were a genuine danger to the regime. The requirement to register friendly societies was a way of identifying those with republican tendencies. The Corresponding Societies Act of 1797, which forbade the administering of oaths by societies, further undercut their internal solidarity and mutual confidence. [Gray, "A Brief History of Friendly Societies"]

The self-help was also weakened from within by opportunism. According to Tim Evans,

certain professional, private, for-profit, "corporativist" interests found advantage in the idea of getting into bed with big government and in undermining the self-help movement. On this point I strongly recommend David Green's expose of the lobbying that went on behind the scenes during the construction of the 1911 National Insurance Act. [Socialism Without the State]

The hostility of the capitalist class and the authoritarian state was succeeded by the hostility of the paternalistic Welfare State. From the mid-Nineteenth Century on, political and economic life were rapidly brought under the control of centralized bureaucracies. The state, society and economy were revolutionized by the professionalization of every aspect of life. The "New Class" of managers and technicians, who controlled the new centralized bureaucratic machinery of corporation and state, saw self-organization by ordinary people as a threat to their own power. Orwell, behind the persona of Immanuel Goldstein, described the class in this way:

> *The new aristocracy was made up for the most part of bureaucrats, scientists, technicians, trade-union organizers, publicity experts, sociologists, teachers, journalists, and professional politicians. These people, whose origins lay in the salaried middle class and the upper grades of the working class, had been shaped and brought together by the barren world of monopoly industry and centralized government.*

The proper order of things under the new order was for ordinary people to be administered, as human raw material, by "experts" and "professionals."

The will to power of this New Class was embodied in Great Britain by the Fabian movement, especially Sidney and Beatrice Webb and H. G. Wells. Its American counterpart was "Progressivism." In the Fabian/Progressive scheme of things, the lower classes ceased to be the subject of action and instead became the object. The working class–which we have seen above to be so capable of doing things for itself–became the people things were done to.

Thanks largely to the Fabian and Progressive movements, the leadership of the mainstream left turned increasingly to statism, and joined its fortune to the New Class elite that dominated the state welfare, regulatory and planning bureaucracies. To the extent that self-organized bodies continued to exist, it was only at the sufferance and with the regulatory oversight of the state. For example, the Insurance Act of 1911 in Great Britain allowed the state to "exercise a definite control" over friendly societies, rendering purely voluntary efforts "a thing of the past." [Robinson, The Spirit of Association 1] Colin Ward, in Talking Houses, put it this way: *"It was those clever Fabians and academic Marxists who ridiculed out of existence the values by which ordinary citizens govern their own lives in favour of bureaucratic paternalising, leaving those values around to be picked up by their [right wing] political opponents."* [quoted in Anarchist FAQ J.5]

It was a case of replacing one form of class rule with another. Both the old-style capitalists and the new paternalistic social engineers saw the independence and self-sovereignty of the average person as a threat. Indeed, it was not entirely a replacement–regardless of Arthur Schlesinger's official goo-goo mythology of the "progressive" regulatory and welfare state as a "countervailing power" to big business. In fact, the managerial and professional classes in the Progressive and Fabian movements were more than willing to establish a modus vivendi with corporate capitalism.

At the same time, the Fabians and Progressives were useful idiots, serving corporate interests by rationalizing and stabilizing capitalism. The central force behind the growth of the twentieth century positive state has been the political power of big business. The welfare state was pioneered, after all, by that notorious bleeding-heart liberal, Otto von Bismarck. Friedrich Engels predicted the mixed economy in Anti-Duehring.

Weinstein, Kolko. Virtually every aspect of the regulatory state came about because it was promoted by big business.

The central theme of the New Class ideology, as Joel Spring put it, was that *"the good society meant the efficiently organized society that was producing the maximum amount of goods,"* and that the most efficient social institutions for this purpose were *"[l]arge organizational units and centralized government."* The ordinary person was *"viewed as a raw material whose worth was determined by his contribution to the system."* [Education and the Rise of the Corporate State xiii] In every aspect of life, New Class dominance alienated the average person from his own common sense. As Barton Bledstein described it, *"The citizen became a client whose obligation was to trust*

the professional. Legitimate authority now resided in places like the courtroom, the classroom, and the hospital…" [The Culture of Professionalism, quoted in Boyte]

The earliest New Class bastion was the "public" school movement.

Although neoconservatives like to identify the New Class primarily with the welfare state, it's hegemony extends far more broadly.

In industry, New Class dominance took the form of Taylorism, or scientific management. Organized labor …

In local government, the New Class agenda has been to replace political debate with the consensus of "experts," and to "take politics out of government" by professionalizing the decision-making process.

Here is how Colin Ward described the eclipse of mutualist self-organization under the hegemony of the New Class ("The Path Not Taken"):

> *In the 19th century the British working class built up from nothing a vast network of social and economic initiatives based upon self-help and mutual and. The list is endless… How have we allowed that tradition to ossify?… I would claim that the political left in this country invested all of its fund of social inventiveness in the idea of the state so its own ideas of self-help and mutual aid were stifled… Politically it was because of the sinister alliance of the Fabians and Marxists, both of whom believed implicitly in the state and assumed that they would be the particular elite in control of it… History itself was re-written to suit the managerial, political and bureaucratic vision… It's going to be a long haul for the political left to unburden itself of all that Fabian, marxist, managerial and professional baggage and re-discover its roots in the tradition of fraternal and autonomous associations springing from below.*

In Social Policy: An Anarchist Response, Ward called the 19th century working class tradition of self-help the *"welfare road we failed to take."* (quoted in Anarchist FAQ J.5) The arrogance of New Class statists in abandoning this road was monumental. As Tim Evans put it,

> *…it is quite shocking to think of the highly successful carpet of institutions created in British 19th century civil society, the churches, the cooperatives, the friendly societies and the power and benefit they brought directly to millions of individuals and then to listen–a mere forty or fifty years later–to Douglas Jay, the middle class Fabian who as a Minister in the Attlee Government asserted, as if it was self-evident, that: "…in the case of nutrition and health, just as in the case of education, the gentleman in Whitehall really does know better what is good for people than the people know themselves."* [Socialism Without the State]

A.1.5. HOW HAS MUTUALISM BEEN REVIVED AS THEORY AND PRACTICE IN RECENT YEARS?

From about the 1920s on, mutualist ideas were relegated to a dwindling remnant of the Tucker group, supplemented by a few oddballs like Albert Nock who couldn't be pigeonholed as orthodox right-libertarians. Mutualists were largely eclipsed by these same right-libertarians, as Mises and his followers, and later Rand and hers, created the various strands of so-called "anarcho-capitalism." At the same time, the libertarian left turned mainly toward anarcho-communism

and syndicalism; and its syndicalism was generally of a dogmatic sort that left very little room in its vision of an ideal society for any form of voluntary exchange, or any kind of economic activity not regulated by the syndical federations. As a result, individualism and mutualism were largely irrelevant.

Early New Left, Paul Goodman, Port Huron Statement, Colin Ward, etc.

Revived syndicalism, critique of business unionism, Root and Branch, IWW, "wildcat" movement of '70s, etc.

Rothbard Hess project of alliance btw libertarian left and right; SEK3's Movement of the Libertarian Left. Jesse Walker quote, analogy to de Cleyre.

Back to land movement, human scale/alternative tech, Schumacher, Kirk Sale, revival of deliberate theoretical components of cooperative movement, etc.

Theories of dual power, counter-power, prefigurative politics, etc.

Contemporary mutualist organizations, including member organizations of vcm and associated organizations, Cooperative Party, etc. There are quite a few organizations today that promote mutualist ideas. Although generally small and relatively obscure, they produce solid work and have stable audiences and constituencies.

A.1.6. MUTUALISM WAS THE EARLIEST FORM OF THE LABOR MOVEMENT AND WAS SOON SURPASSED BY DEMOCRATIC SOCIALISM, TRADE UNIONISM AND COMMUNISM. AREN'T YOU TRYING TO REVIVE SOMETHING WAY OUT OF DATE?

Later does not always mean better. Ideas can also go off on a dead end tangent. Certainly social democracy and communism "shoved aside" mutualism, but look at them now! About one billion people are members of mutual aid societies worldwide, yet radical socialist groups are tiny sects. In the end, who got surpassed? The trade unionist movement itself was originally mutualist. It was largely coextensive with the friendly societies, organized along the lines of lodges (a form of organization that survived as late as the Knights of Labor). The labor movement may have ceased to function as a form of working class self-organization, and come under the control of a labor bureaucracy; but does that really speak well of the labor bosses?

The problem is not that mutualism was demonstrated to be impractical, but that it was abandoned under the influence of the statist left as the main form of working class practice. To the extent it exists today, it is forced to work within the interstices of a system organized along either corporate capitalist or state socialist lines. The danger of being corrupted by association with Social Democracy, or with capitalism ("de-mutualization," "privatization") always exists.

Mutualism can be much more effective when it is the central principle of social organization of a society built from the ground up along libertarian lines, instead of only being tolerated as an ugly stepchild within an overall capitalist or state socialist society. For the true potential of mutualism as a form of social organization to be realized, it will have to become our primary means of organizing our own lives and relating to each other.

A.2. WHAT ARE THE MAIN CURRENTS OF MUTUALIST THOUGHT?

WHAT SUBGROUPS ARE THERE WITHIN THE MUTUALIST MOVEMENT?

The main division within the mutualist movement is between the American individualists, especially Warren and Tucker and their associates, and the contintental tradition of Proudhon. The main mutualist tradition sees mutual banks and defense as community-controlled functions, part of a general framework of a libertarian community, within which market competition between cooperatives takes place. Tucker saw mutual banks and defense associations as just another form of business firm competing in the free market.

On the issue of banks, there is no inherent contradiction between the two views. There is room for community-controlled banking cooperatives existing alongside banking co-ops organized by private groups of individuals. In regard to defense and police service, a local government might, by ceasing to coercively collect payment or impose services on unwilling consumers, evolve into a voluntary defense cooperative serving the majority of a community while coexisting with a number of smaller agencies. And the issue may be moot if such services are a natural monopoly. Given natural market entry barriers, it might well be easier for dissatisfied citizens of a direct democracy to reorganize police service under new management by appointing a new selectman, than to raise capital and organize a new, competing service. In any case, Tucker envisioned any competing defense agencies as working out a modus vivendi based on federation, exclusion clauses, appeals, etc., enforced by a general common law system very like Rothbard's libertarian law code.

The two traditions also disagree on the issue of wage labor. Tucker did not favor prohibiting wage labor. He believed that a genuine free market, without privilege, was sufficient to end the exploitation of labor. The rate of profit would decline to zero under the effects of competition, and the worker would keep the full product of his labor and become a de facto co-owner. Tucker was friendly to the idea of organized labor and strikes, but opposed expropriation of the means of production against the capitalists' will. Labadie, a follower of Tucker, was more open to syndicalist ideas.

One possible compromise here, as mentioned in the history section, is to apply Tucker's ideas on land ownership to ownership of industrial means of production. Tucker supported the anti-rent movement in Ireland as a way of expropriating the landlords against their will. He also favored refusal by local defense associations to enforce absentee ownership of land, or ownership of more land by a single individual than he could use, and combined that with support for defending current occupiers against any attempt at rent collection. The same principles could be applied to industry, with communities refusing to enforce the absentee property rights of capitalists against the workers who actually operate the means of production.

WHAT DISTINGUISHES MUTUALISTS FROM COMMUNAL ANARCHISTS?

A good place to start is with the opinion of communal anarchists, represented here by the **Anarchist FAQ.** The main difference is that communal anarchists *"prefer communal solutions to social problems and a communal vision of the good society."*

> *The other forms of social anarchism do not share the mutualists support for markets, even non-capitalist ones. Instead they think that freedom is best served by communal-*

ising production and sharing information and products freely between co-operatives. In other words, the other forms of social anarchism are based upon common (or social) ownership by federations of producers' associations and communes rather than mutualism's system of individual co-operatives... Only by extending the principle of co-operation beyond individual workplaces can individual liberty be maximized and protected.

Mutualists, on the other hand, do not pursue collectivism or communalism as an ideal in itself. They prefer to resort to collective decision-making only when it is required by the technical nature of the means of production. When the evolution of production technology under capitalism has collectivized the production process, there is no choice but some form of collective decision-making. The only choice is whether the coordination is done by someone appointed from above, or someone responsible to the workers. In such a situation, mutualists of course prefer that decisions be made according to the democratic will of everyone in the workplace.

But when production can be carried out by self-employed artisans, family businesses and farms, or small cooperatives, mutualists prefer to leave all decision-making to the smallest unit possible. We do not desire to collectivize artisans and small businesspeople, like the barbers and florists of Barcelona who formed themselves into syndicates in 1936. The larger the decision-making unit, the more wills each worker has to take into account, and the less the autonomy of the individual in deciding how to do his own work. The fewer the independent wills that have to be coordinated, on the other hand, the more work decisions reflect the preferences and values of the actual individuals involved. Democracy is not an end to be pursued for its own sake, but a way of making decisions fairly when collective action is required.

And there is an increasing danger, the larger the organization and the further removed from direct contact with the workplace, that it will become a power base for those engaged in the day-to-day work of coordinating the organization. As an example of what the danger is, consider the libertarian communist society of Anarres depicted in Ursula LeGuin's **The Dispossessed.** The federative bodies, responsible for planning and coordinating relations between their member enterprises, were organized on formally libertarian lines, with delegates recallable at will by the local workplaces. Nevertheless, the syndics accumulated permanent planning staffs, and over time the decision-making process became a pro forma debate followed by rubber-stamping the proposal of the planning staff. The federative bodies in practice became miniature gosplans. Impersonal market relations between firms do not require higher organizations that can be seized by a new class of professionals and experts.

Nevertheless, these disagreements need not be a source of rancor or discord between mutualist and communalist anarchists. The communalists are not fundamentally opposed to voluntary forms of mutualist organization.

...social anarchists have always recognized the need for voluntary collectivization. If people desire to work by themselves, this is not seen as a problem. In addition, for social anarchists an association exists solely for the benefit of the individuals that compose it; it is the means by which people co-operate to meet the common needs. Therefore ***all*** *anarchists emphasize the importance of free agreement as the basis of an anarchist society...*

If individualists desire to work for themselves and exchange goods with others, social anarchists have no objection.

The only likely area for fundamental disagreement is over the individualist willingness to tolerate wage labor. But on this issue we must confront the challenge of Richard Garner, who asked what an anarchist community would do if two individuals agreed to exchange the labor of one for some form of wealth possessed by the other. One answer might be simply to refuse collective enforcement to such an agreement, and leave the two to their own devices. But in any case the absence of state-guaranteed privilege would eliminate any significant advantage for a would-be capitalist in trying to resurrect the wage system. And it should be a basic principle of any mutualist workplace, agreed to by all members, not to hire workers on any basis but that of equal partner.

A.3. BUT ARE MUTUALISTS NECESSARILY ANARCHISTS?

Although for the most part we deal with mutualism for convenience as a form of anarchism, mutualism as such is not necessarily anarchist. Mutualist practices and beliefs arose in the labor movement before mutualism was stated as a belief system by Proudhon. Since Proudhon, mutualism has been a segment of the anarchist movement, and most mutualists have also been anarchists. But one can be a mutualist without being an anarchist. Most mutualists, however, whether avowedly anarchist or not, tend to favor a high degree of political decentralization, with many functions of the state being carried out through grass-roots participatory democracy. Proudhon himself considered anarchism to be, not an all-or-nothing system, but a goal to be approached from our present position. Complete anarchy as a social system may never be achieved, but everyone who favors concrete steps toward freedom and decentralism, and against coercion, is an ally.

A.4. ARE MUTUALISTS SOCIALISTS?

Mutualists, like other classical anarchists, originally considered themselves libertarian socialists. That is, they believed in the labor theory of value, and they believed that the laborer was entitled to the full product of his labor.

Some mutualists have abandoned the labor theory of value, and prefer to avoid the term ”socialist.” But they still retain some cultural attitudes, for the most part, that set them off from the libertarian right. Most of them view mutualism as an alternative to capitalism, and believe that capitalism as it exists is a statist system with exploitative features.

Many groups today share mutualist ideas, without embracing the full libertarian socialist heritage of classical anarchism. We welcome cooperation with all of them, where we share common goals, to reduce exploitation and centralization and increase freedom.

Right-libertarians and anarcho-capitalists, while arguably not part of the genuine historical tradition of anarchism, sometimes share mutualist ideas. Many of the more intellectually honest members of the libertarian right acknowledge the largely exploitative nature of the present capitalist system, and share the mutualist belief that its exploitative nature is the result of state intervention on behalf of capital and other privileged groups. We welcome cooperation with them also, where we have areas of agreement.

A.5. HOW IS MUTUALISM RELATED TO OTHER POLITICAL MOVEMENTS?

WHAT OTHER MOVEMENTS DOES MUTUALISM HAVE AN AFFINITY FOR?

Many other groups share some ideas, values or practices with mutualists. [populists, Georgists, distributists, guild socialists, agrarians, Catholic Workers, etc. Participatory democracy, parecon, ...]

B. WHAT IS MUTUALIST ECONOMIC THEORY?

WHAT IS THE MUTUALIST ANALYSIS OF HOW CAPITALISM WORKS?

WHAT FORMS OF PRIVILEGE ARE UPHELD BY THE STATE?

As background to this question, we recommend you read the material above on Tucker's views of the four capitalist monopolies. The material below is supplemental, and presupposes the reader is already familiar with Tucker's analysis.

The land monopoly. According to Proudhon, in **What is Property?**, contrasted property based on "proper or individual possession" with modern property, in which an absentee owner of property asserts "the right to use it by his neighbor's labour..."

The money monopoly. The authors of the **Anarchist FAQ** sum up the effects of the money monopoly quite succinctly:

> *The credit monopoly, by which the state controls who can and cannot loan money, reduces the ability of working class people to create their own alternatives to capitalism. By charging high amounts of interest on loans (which is possible only because competition is restricted) few people can afford to create co-operatives or one-person firms. In addition, having to repay loans at high interest to capitalist banks ensures that co-operatives often have to undermine their own principles by having to employ wage labour to make ends meet...*
>
> *So the credit monopoly, by artificially restricting the option to work for ourselves, ensures we work for a boss.* (B3 pp. 3-4)

To fully grasp how crippling the money monopoly is, we have to take a look at the alternative.

The patent monopoly. [GATT, patent control, etc.]

In addition to the four monopolies listed by Tucker, there other forms of privilege even in Tucker's day that he neglected to mention. [Primitive accumulation, transportation]

HOW ELSE DOES THE STATE INTERVENE TO INCREASE PROFIT?

Rise of Progressive welfare/regulatory state, MI complex, Wagner act, etc.

C. WHAT IS THE MUTUALIST VISION OF THE FUTURE?

IS MUTUALISM OPEN TO COEXISTENCE WITH OTHER FORMS OF ECONOMIC ORGANIZATION WITHIN A LIBERTARIAN FRAMEWORK?

A without adjectives, Jesse Walker, Garner, Nozick, SEK3 on Georgias, etc.

Main problem would be issue of neighboring communities with different standards of land tenure. For example, dissidents in a community with Georgist or mutualist land tenure might attempt to enforce Lockean landlordism by appealing to the defense agencies in a neighboring anarcho-capitalist community (Lloyd!). However, most right-libs are not fire breathers in the sense of trolling for right-libertarian dissidents in communities based on non-anarchocap principles, and would probably follow a live and let live policy. E.g. speculation on treaties between protection agencies that would exclude protection from members who deliberately flouted each other's customs–no protection for any member of the Grateful Dead defense collective who committed adultery with the wife of a God's Lightning militia member.

WHAT ARE THE BASIC PRINCIPLES OF COOPERATIVE ORGANIZATION?

Every member a share-holder. Every share-holder a voter. All membership voluntary. All members receive a share of profits, not a minority. All organizations democratically controlled by the membership. All organizations human-sized and locally controlled. Economy of scale practiced through federalism and not top-down hierarchy.

Problems with Mondragon system. Comments from shadoweconomy.

WHAT ABOUT PEOPLE WHO ARE TOO POOR TO PAY FEES TO MUTUAL AID SOCIETIES? WILL THEY BE LEFT OUT BY THEIR POVERTY?

This was the major flaw of the old mutualism. In the 19th and early 20th centuries about half the population was too poor to subscribe to mutualist medical insurance, unemployment insurance, etc. Thus the state stepped in and provided these services and in the process eliminated most of the mutualist systems. Today, at least in the developed world, people are vastly more wealthy and the overwhelming majority could afford to pay their fees. The minority that couldn't? An intermediate step between the present statist system of social services and a fully mutualist

system could involve the government giving vouchers to poor people who could then apply these to the mutual of their choice. A Solidarity Fund could be set up and people could donate to it. The fund would also provide vouchers for the poor. Hopefully, in time, the state vouchers could be eliminated and the aid system function purely on voluntarism and solidarity.

The lack of resources in the working class to implement a fully-developed system of mutualism in the nineteenth century was not their fault. In absence of exploitation, …

WHAT ABOUT THE MARKET?

Mutualists believe that most of the 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 stepped in and granted preferential treatment to certain individuals and groups. This created the vast inequalities 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.

D. WHAT IS MUTUALIST PRACTICE (HOW DO WE GET THERE)?

A number of terms, taken from different movements or theorists, are useful to mutualist practice. Dual power, counter-power, alternative social infrastructure, etc.

Evolution vs. revolution, etc.

IS MUTUALISM AN IDEOLOGY?

Only in one sense–in the fact that it is an organized body of thought and that its proponents encourage others to get involved with mutualism. But it is not something thought up by some "great thinker" that should be imposed upon the masses. Mutualism is practical, grows out of, and is part of, real life experience. The creation of a mutualist society does not entail subscribing to a narrow doctrine or sect but merely generalizing what already exists. Mutualism is essentially pre-ideological.

It has to be so for the very good reason that mutualism, as a practice, predated mutualism as an ideology by several decades. The working class had been forming friendly societies, unions and other institutions for mutual aid and solidarity for more than a generation, before Owen and Proudhon came on the scene to explain to them what they had been doing.

HOW DOES MUTUALISM RELATE TO POLITICS AND POLITICAL PARTIES?

Individual members of mutualist societies are free to belong to any political party or subscribe to any ideology they wish. Mutualist organizations, however, do not support parties not ideologies, for to do so would create division in the membership. Mutualism unites as broad a spectrum of the population as possible around the stated goals of the mutual aid society.

WHAT ABOUT RELIGION?

As with politics, individual members are free to belong to any church or belief system. The mutual aid society, unless one of a specifically religious nature, does not take a position on religion, once again attempting to unite as many people as possible around the organization's goals.

Many movements with a strong affinity for mutualist values are avowedly religious. These include Christian anarchist groups like the Tolstoyans, as well as Christian groups like the Catholic Worker movement and the Distributists (although not all distributists are religious). Gandhian economics resembles mutualism in many particulars.

ARE MUTUALISTS PACIFISTS?

Many mutualists are pacifists, but not all are. Generally speaking, mutualist movements are not ideologically pacifist. However, mutualism is non-violent in word and deed. By attempting to unite as many people as possible around common goals, by not espousing any violent revolutionary doctrines, mutualists avoid creating the climate of fear which gives rise to, and rationalizes the need for, violence.

In practice, it is unwise to initiate violent confrontation with the state. Much better to focus on education, building alternative forms of social org, defer question of rev. until exhausting possibilities for change within existing society. Quote Ed S. statement in The Match!. Need for overwhleming public support. Terror and guerrillaism are generally ineffective anyway unless the majority of the population is already united against a perceived common enemy (e.g., Intifada, Algerian Civil War). And the greater the level of public support obtained through education, the less violence will be involved in final revolutionary transition.

Bart de Ligt, **The Conquest of Violence**: "*The greater the violence, the weaker the revolution, even where violence has deliberately been put at the service of the revolution.*"

E. WHAT ARE SOME OF THE CRITICISMS OF MUTUALISM, AND HOW DO WE ANSWER THEM?

Most of the counter-arguments below are direct quotes from arguments in internet discussion lists or other venues, or composites of such arguments. The names have been removed, but we have been as faithful as possible to the original arguments; when we find our own responses less than satisfactory, or are not sure about the answer, we prefer to leave the question up in the air. We have no interest in defeating straw men; we want to answer an argument that is made as effectively as possible, or we can be sure that an opponent who is not a straw-man will appear to frame the argument more effectively.

E.1. CHALLENGES FROM THE LEFT

The arguments below come from participation on a number of Leftist discussion groups like OneUnion and the WSM Socialism Forum, and the editors of publications like Socialist Standard and Anarcho-Syndicalist Review.

WOULDN'T FREE MARKETS LEAD TO THE RESTORATION OF CAPITALISM?

E.2. CHALLENGES FROM THE RIGHT

These arguments are taken from the LeftLibertarian and freedomcafe lists at yahoo, and with right-libertarian visitors to the anarchism and WSM Socialist Forum groups at yahoo.

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A Mutualist FAQ
FREQUENTLY ASKED QUESTIONS ABOUT MUTUALISM
2004

http://www.mutualist.org/id23.html
This Mutualist FAQ, still quite incomplete, is the work of members of the Voluntary Cooperation Movement's vcmdiscussion list at YahooGroups. When it is updated, it will also include a large amount of historical information provided by Shawn P. Wilbur.