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# Proudhon's Economics

Socialism Without Tyranny

Robert Anton Wilson

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Benjamin Tucker considered *The General Idea of the Revolution in the 19th Century* Proudhon's best book—"the most wonderful of all the wonderful books of Proudhon"—and he may well have been right in that judgment. Like many of the greatest works of the last century this "most wonderful book" comes to us from a prison cell: a fact which is probably far from insignificant. It is not without cause that the letters of Bartolomeo Vanzetti, the *Pisan Cantos* of Ezra Pound, "The Ballad of Reading Gaol," Nietzsche's *Antichrist*, the best poems of Antonin Artaud, Van Gogh's two or three greatest canvases, Koestler's *Darkness at Noon*, and several other of the most significant cultural products of this age, were produced by men who were at the time unwilling "guests of the State." Nor is it idle to note that some time has been served (unproductively, alas!) by Ford Madox Ford, Nijinsky, Seymour Krim, Allen Ginsberg, William Burroughs, Jim Peck, and almost everybody else worth a damn as a serious thinker or artist. It is getting to the point where, as Eustace Mullins noted in his biography of Ezra Pound, lack of a police or psychiatric record is looked on, by avante garde, as a sign that a man has sold out.

*The General Idea of the Revolution in the 19th Century* was written while Proudhon was serving three years “of enforced leisure” (his own phrase) for something he had written that offended Louis Bonaparte. He doesn’t tell us much about his prison, so maybe it wasn’t as bad as some of the others that the great minds of our time have been confined in; but it was evidently bad enough, for the next time Proudhon was sentenced to prison (again for something he had written), he fled to Belgium and accepted exile rather than the regime of sadism-and-sodomy we inflict on the great minds which society imprisons to protect itself.

The background of *The General Idea of the Revolution in the 19th Century* was the abortive Revolution of 1848 in which Proudhon had participated and which ended with Reaction entrenched more firmly than ever. Writing in an exalted and prophetic vein, Proudhon sees clearly that the Revolution is not dead and foreshadows the Paris Commune twenty years in the future. He foretells many victories still ahead for the status quo, he has moments of doubt and almost Reichian pessimism about the masses: “But reasoning will avail nothing,” he writes once. “The eagle defends his eyrie, the lion his den, the hog his trough, capital will not relinquish its interest. And we, poor sufferers, we are ignorant, unarmed, divided: there is not one of us who, when one impulse urges him to revolution, is not held back by another.”

The structure of this book is as block-like and monolithic as Euclid or Spinoza: a fact sometimes hidden by the wit, brilliance and poetry of the style. But beneath all the rapier-thrusts of his hyperbolic and eclectic polemic, Proudhon builds as carefully and logically as a mathematician. Each demonstration proceeds from the demonstration before it, and the cumulative effect is breath-takingly irresistible.

Chapter One, “Reaction causes Revolution,” studies the methods by which the entrenched bourgeoisie, attempting to stifle rebellion, directly increased it and created the Revolution

from motives of rational self-interest. It is not to be confused with a law binding upon an indefinite number of cases unto infinity. Proudhon is so aware that “each case is unique” one almost suspects he has been studying general semantics. There simply is no possibility, under his system, for a man getting trapped into compulsory obedience to a condition he didn’t voluntarily accept by signing a contract.

What can we say of this magnificent edifice of creative and constructive social thought? There is no way to do justice to the mind which saw through the errors of all the other reformers of its age and clung stubbornly to the idea of freedom against all the blandishments of “State planning”; there are no words to praise the originality, precision, imagination and logic of this man, Proudhon. The only fitting comment is that, one hundred and eleven years after he wrote, the chaos he dreaded is still in action everywhere, and the concept of orderly contractual society which he invented is still not understood by either conservatives or radicals. The only way to honor him is to forget all about praising his obvious genius and to make his dream come true. The unfinished revolution has been unfinished for too long.

instead of force. In its amazingly logical structure and its painstaking attention to detail, this chapter is impossible to summarize, even more so than Chapter Five. Instead, I quote a brief passage giving the general conception without the details:

“That I may remain free; that I may not have to submit to any law but my own, and that I may govern myself ... everything in the government of society which rests on the divine must be suppressed, and the whole rebuilt on the human idea of CONTRACT.

When I agree with one or more of my fellow citizens for any object whatever; it is clear that my own will is my law; it is I myself who, in fulfilling my obligation, am my own government ...

Thus the principle of contract, far more than that of authority, would bring about the union of producers, centralize their forces, and assure the unity and solidarity of their interests.

The system of contracts, substituted for the system of laws, would constitute ... the true sovereignty of the people, the REPUBLIC ...

The contract, finally, is order, since it is the organization of economic forces, instead of the alienation of liberties, the sacrifice of rights, the subordination of wills.”

The final chapter, “Absorption of Government by the Economic Organism,” deals with the peaceful dissolution of the State into the system of contractual associations. Each such association might, in a sense, be called a small government; but it would be different in essence from traditional political government in that membership is voluntary instead of compulsory. The possibility of tyranny—even of the tyranny of the majority—will become zero. It is important not to misunderstand Proudhon here: don’t think of the Shoemakers’ Association planning long-range programs to which the individual shoemaker must submit. *Contract* implies a specific agreement for a specific purpose, to which all parties to the contract agree

of 1848. Bringing the study up to the time of writing (1851), Proudhon shows, in detail, how the subsequent oppressive laws, aimed at preventing further revolution, are instead making further revolution inevitable. For instance, he points out that the teachers, with their usual conservatism, mostly opposed the Revolution of 1848, but have become, by 1851, quite revolutionary because of the thought control imposed upon them by the reactionary government.

Chapter Two, “Is there sufficient reason for a revolution in the 19th Century?” is a study of economic life in France from the fall of the Bourbons to 1851. The general impression is like that of Engels’ *Condition of the Working Class in England*. Proudhon shows that, with such misery being almost universal, the laws made to prevent revolution can only inflame the people and bring revolution closer. Proudhon’s special emphasis, however, is on the various “reform” movements which attempted to better the lot of the people. It is sixty years since feudalism was replaced by capitalism in France, he argues, and all the attempts to “reform” capitalism only prove that the original Revolution is unfinished. The death of the old privileged class has not brought freedom, but a new tyranny; it has not brought order, but more chaos. The Revolution of the 19th Century is inevitable, Proudhon argues, because the Revolution of the 18th Century was incomplete. Here he sounds strangely contemporary; as he elsewhere preceded Marx in discovering the labor theory of value: he here precedes Paul Goodman in the concept of social chaos being caused by an “unfinished revolution.”

Chapter Three, “The Principle of Association,” argues that capitalist society is *structured* in a topsy-turvy and cock-eyed way. Here he begins to introduce his concept of *anarchy*, and his chief (but not only) argument for it is that it will be less chaotic, more orderly, than capitalistic democracy. Under the facade of equality and representational government in our system Proudhon sees the ancient relationship of Master and Slave

not basically abolished. Land tenure and the banking monopoly both come down to us from the Roman slave state, he says, and as long as they last we will always be basically slaves. Here he offers his new model of non-governmental society: anarchism, which he defines as a system “based not on *force* but on *contract*.” Here also he criticizes the Blanquist socialists (the forerunners of modern Communism) for their attempt to create a new society in which *force* will still be a State monopoly thus producing a new form of tyranny where the abolition of tyranny is called for. They, too, he predicts, will make an unfinished revolution.

Chapter Four, “The Principle of Authority,” is probably the most devastating attack ever written on parliamentary democracy, and should be compulsory reading for those “liberals” who keep complaining that Cuba hasn’t had elections since her revolution. With blistering sarcasm Proudhon writes of how “laws, decrees, edicts, ordinances, resolutions ... fall like hail upon the people. After a while the political ground will be covered with paper, which the geologists will put down among the vicissitudes of the earth as the *papyraceous formation*. ... At present, the Bulletin of Law contains, it is said, more than fifty thousand laws; if our representatives do their duty, this enormous figure will soon be doubled, Do you suppose that the people, or even the Government itself, can keep their reason in this labyrinth?” Here his attack on the *chaos* of capitalist-democracy comes to its culmination. The whole idea of the State is wrong, upside-down, irrational; it has its origin in theology and demonology; there is no place for the Principle of Authority among those who pretend to democracy and equality. The State is an invention of the kings, he adds angrily, and should have been abolished when they were. We are still suffering chaos because the Revolution of the 18th Century was unfinished.

Chapter Five, “Social Liquidation,” considers the “divine rights” which should have been abolished along with royalty

but weren’t: the money monopoly, by which a handful of bankers control the monetization of credit; the land monopoly, by which a handful of landlords “own” the earth and force the rest of us to pay tribute for living and working on it; and the system of laws by which these monopolies are protected against free competition. Proudhon shows how poverty, crime, disease and war are caused directly by these monopolies; and he shows how they can be abolished, without violent revolution and without expropriation. Here it is especially difficult to summarize his thinking briefly; the basis of it all is his “Bank of the People,” which lends *without charging interest*. (Douglas’s Social Credit League which worked so successfully in Alberta, Gesell’s stamp scrip which performed of the basic Proudhonian concept.) Proudhon shows how the abolition of interest by the People’s Bank will force universal abolition of interest through that free competition which is supposed to be, but isn’t, a feature of capitalism. Nobody will borrow at interest, when he can borrow without interest; the capitalist banks will not be able to compete with the People’s Bank. Next, Proudhon turns to the land monopoly, and proposes a solution much more rational than Henry George’s (or the socialists’): after a certain date, he says, let all rent payments be considered as installments toward purchase, and let the price of all land be fixed at the traditional twenty times the annual rent; within twenty years, the workers will own the land, and the landlords will not have been forcibly expropriated. Following the abolition of the money and land monopolies, prices will automatically fall to a level near the cost of production, since the manufacturer, not having to add rent and interest to his overhead, will not be able to pocket the difference either, due to competition. Thus, the basic aims of socialism will be achieved without a tyrannical bureaucracy and without violent expropriation of present proprietors.

Chapter Six, “The Organization of Economic Forces,” presents the total anatomy of a society based on contract