Gary Elkin
Benjamin Tucker — Anarchist or capitalist?

Retrieved on November 29, 2009 from www.spunk.org

Gary Elkin

Benjamin Tucker — Anarchist or capitalist?

Benjamin Tucker was against "capitalism" in the sense of a State-supported monopoly of productive tools and equipment which allows owners to avoid paying workers the full value of their labor. This stance puts him squarely in the libertarian socialist tradition.

Indeed, Tucker referred to himself many times as a socialist. It's true that he sometimes railed against "socialism," but in those cases it is clear that he was referring to **State** socialism. He also made it clear that he is against private property and so supported Proudhon's idea of "property is theft" and even translated Proudhon's "What is Property?" where that phrase originated. Tucker advocated **possession** but not private property, believing that empty land, houses, etc. should be squatted. He considered private property in land use (which he called the "land monopoly") as one of the four great evils of capitalism. According to Tucker, "the land monopoly . . . consists in the enforcement by government of land titles which do not rest upon personal occupacy and cultivation . . . the individual should no longer be protected by their fellows in anything but personal occupation and cultivation of land" [the anarchist reader, p150]. In this his views are directly opposed to those of right libertarians like Murray Rothbard, who advocate "absolute" property rights which are protected by laws enforced either by a "nightwatchman State" or private security forces.

Tucker believed that bankers' monopoly of the power to create credit and currency is the lynchpin of capitalism. Although he thought that all forms of monopoly are detrimental to society, he maintained that the banking monopoly is the worst form since it is the root from which both the industrial-capitalist and landlordist monopolies grow and without which they would wither and die. For if credit were not monopolized, its price (i.e. interest rates) would be much lower, which in turn would drastically lower the price of capital goods, land, and buildings — expensive items that generally cannot be purchased without access to credit. The freedom to squat empty land and buildings would, in the absence of a State to protect titles, complete the process of reducing rents toward zero.

Following Proudhon, Tucker argued that if any group of people could legally form a "mutual bank" and issue credit based on any form of collateral they saw fit to accept, the price of credit would fall to the labor cost of the paperwork involved in issuing and keeping track of it. He claimed that banking statistics show this cost to be less than one percent of principal, and hence, that a one-time service fee which covers this cost and no more is the only *non-usurious* charge a bank can make for extending credit. This charge should not be called "interest," since it is non-exploitative.

Tucker believed that under mutual banking, capitalists' ability to extact exorbitant fees from workers for the use of expensive tools and equipment would be eliminated, because workers would be able to obtain zero-interest credit and use it to buy their own tools and equipment instead of "renting" them from capitalists. Easy access to mutual credit would result in a huge increase in the purchase of capital goods, creating a huge demand for labor which in turn would greatly increase employees' bargaining power and thus raise their wages toward equivalence with the value-added produced by their labor.

Tucker's ideal society is therefore one of small entrepreneurs and independent contractors. Between those who possess capital equipment and those with whom they contract to use the equipment, he envisions a non-exploitative relationship in which value-added would be equitably distributed between them.

It's important to note that because of Tucker's proposal to increase the bargaining power of workers through access to mutual credit, his so-called Individualist anarchism is not only compatible with workers' control but would in fact promote it. For if access to mutual credit were to increase the bargaining power of workers to the extent that Tucker claimed it would, they would then be able to (1) demand and get workplace democracy, and (2) pool their credit buy and own companies collectively. This would eliminate the top-down structure of the firm and the ability of owners to pay themselves unfairly large salaries. Thus the logical consequence of Tucker's proposals would be a system functionally equivalent in most respects to the kind of system advocated by left libertarians.

Tucker's system does retain some features of capitalism, such as competition between firms in a "free market." However, markets are only a necessary condition of capitalism, not a sufficient condition. There can also be a "free market" under socialism, though it would

be of a different nature. The fundamental anarchist objection to capitalism is not that it involves markets but that it involves private property and wage slavery. Tucker's system would eliminate both, which is why he called himself a socialist. Thus Tucker is clearly a left libertarian rather than a forefather of right libertarianism. In this he comes close to what today would be called a "market socialist," albeit a non-statist variety.