slaves in the hearing of their masters, but highly unbecoming to reasonable and free men in search of the truth." [**The Social Contract and Discourses**, p. 49] This seems applicable when you see Rothbard proclaim that inequality of individuals will lead to inequalities of income as *"each man will tend to earn an income equal to his 'marginal productivity.'"* This is because *"some men"* (and it is always men!) are *"more intelligent, others more alert and farsighted, than the remainder of the population"* and capitalism will *"allow the rise of these natural aristocracies."* In fact, for Rothbard, all government, in its essence, is a conspiracy against the superior man. [**The Logic of Action II**, p. 29 and p. 34] But a few more points should be raised.

The uniqueness of individuals has always existed but for the vast majority of human history we have lived in very egalitarian societies. If social inequality did, indeed, flow from natural inequalities then **all** societies would be marked by it. This is not the case. Indeed, taking a relatively recent example, many visitors to the early United States noted its egalitarian nature, something that soon changed with the rise of capitalism (a rise dependent upon state action, we must add). This implies that the society we live in (its rights framework, the social relationships it generates and so forth) has far more of a decisive impact on inequality than individual differences. Thus certain rights frameworks will tend to magnify "natural" inequalities (assuming that is the source of the initial inequality, rather than, say, violence and force). As Noam Chomsky argues:

> *"Presumably it is the case that in our 'real world' some combination of attributes is conducive to success in responding to 'the demands of the economic system.' Let us agree, for the sake of discussion, that this combination of attributes is in part a matter of native endowment. Why does this (alleged) fact pose an 'intellectual dilemma' to egalitarians? Note that we can hardly claim much insight into just what the*

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> *convict camp. True anarchist equality implies freedom, not quantity. It does not mean that every one must eat, drink, or wear the same things, do the same work, or live in the same manner. Far from it: the very reverse, in fact. Individual needs and tastes differ, as appetites differ. It is* ***equal*** *opportunity to satisfy them that constitutes true equality. Far from levelling, such equality opens the door for the greatest possible variety of activity and development. For human character is diverse, and only the repression of this free diversity results in levelling, in uniformity and sameness. Free opportunity and acting out your individuality means development of natural dissimilarities and variations… Life in freedom, in anarchy will do more than liberate man merely from his present political and economic bondage. That will be only the first step, the preliminary to a truly human existence."* [**What is Anarchism?**, pp. 164–5]

So it is precisely the diversity of individuals (their uniqueness) which drives the anarchist support for equality, not its denial. Thus anarchists reject the Rothbardian-Newspeak definition of equality as meaningless. No two people are identical and so imposing "identical" equality between them would mean treating them as **unequals**, i.e. not having equal worth or giving them equal respect as befits them as human beings and fellow unique individuals.

So what should we make of Rothbard's claim? It is tempting just to quote Rousseau when he argued *"it is … useless to inquire whether there is any essential connection between the two inequalities [social and natural]; for this would be only asking, in other words, whether those who command are necessarily better than those who obey, and if strength of body or of mind, wisdom, or virtue are always found in particular individuals, in proportion to their power or wealth: a question fit perhaps to be discussed by*

system we live under. Inequality of endowment, in this perspective, implies inequality of outcome and so social inequality. As individual differences are a fact of nature, attempts to create a society based on "equality" (i.e. making everyone identical in terms of possessions and so forth) is impossible and "unnatural." That this would be music to the ears of the wealthy should go without saying.

Before continuing, we must note that Rothbard is destroying language to make his point and that he is not the first to abuse language in this particular way. In George Orwell's **1984**, the expression *"all men are created equal"* could be translated into Newspeak *"but only in the same sense in which **All men are redhaired** is a possible Oldspeak sentence. It did not contain a grammatical error, but it expressed a palpable untruth — i.e. that all men are of equal size, weight, or strength."* [*"Appendix: The Principles of Newspeak"*, **1984**, p. 246] It is nice to know that "Mr. Libertarian" is stealing ideas from Big Brother, and for the same reason: to make critical thought impossible by restricting the meaning of words.

"Equality," in the context of political discussion, does not mean "identical," it means equality of rights, respect, worth, power and so forth. It does not imply treating everyone identically (for example, expecting an eighty year old man to do identical work as an eighteen violates treating both equally with respect as unique individuals). Needless to say, no anarchist has ever advocated such a notion of equality as being identical. As discussed in section A.2.5, anarchists have always based our arguments on the need for social equality on the fact that, while people are different, we all have the same right to be free and that inequality in wealth produces inequalities of liberty. For anarchists:

> *"equality does not mean an equal amount but equal **opportunity** ... Do not make the mistake of identifying equality in liberty with the forced equality of the*

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F.3 Why do anarcho"-capitalists place little or no value on equality?

Murray Rothbard argued that *"the 'rightist' libertarian is not opposed to inequality."* [**For a New Liberty**, p. 47] In contrast, genuine libertarians oppose inequality because it has harmful effects on individual liberty. Part of the reason "anarcho"-capitalism places little or no value on "equality" derives from their definition of that term. *"A and B are 'equal,'"* Rothbard argued, *"if they are identical to each other with respect to a given attribute ... There is one and only one way, then, in which any two people can really be 'equal' in the fullest sense: they must be identical in **all** their attributes."* He then pointed out the obvious fact that *"men are not uniform ... the species, mankind, is uniquely characterised by a high degree of variety, diversity, differentiation: in short, inequality."* [**Egalitarianism as a Revolt against Nature and Other Essays**, p. 4 and p.5]

In others words, every individual is unique — something no egalitarian has ever denied. On the basis of this amazing insight, he concludes that equality is impossible (except "equality of rights") and that the attempt to achieve "equality" is a *"revolt against nature."* The utility of Rothbard's sophistry to the rich and powerful should be obvious as it moves analysis away from the social system we live in and onto biological differences. This means that because we are all unique, the outcome of our actions will not be identical and so social inequality flows from natural differences and not due to the economic

enough to sign such a contract, they would simply have to say they now rejected it in order to be free — such contracts are made to be broken and without the force of a law system (and private defence firms) to back it up, such contracts will stay broken.

The right-"libertarian" support for slave contracts (and wage slavery) indicates that their ideology has little to do with liberty and far more to do with justifying property and the oppression and exploitation it produces. Their theoretical support for permanent and temporary voluntary slavery and autocracy indicates a deeper authoritarianism which negates their claims to be libertarians.

Section F: Is "anarcho"-capitalism a type of anarchism?

Anyone who has followed political discussion on the net has probably come across people calling themselves "libertarians" but arguing from a right-wing, pro-capitalist perspective. For most people outside of North America, this is weird as the term *"libertarian"* is almost always used in conjunction with *"socialist"* or *"communist"* (particularly in Europe and, it should be stressed, historically in America). In the US, though, the Right has partially succeeded in appropriating the term "libertarian" for itself. Even stranger is that a few of these right-wingers have started calling themselves "anarchists" in what must be one of the finest examples of an oxymoron in the English language: "Anarcho-capitalist"‼!

Arguing with fools is seldom rewarded, but to let their foolishness to go unchallenged risks allowing them to deceive those who are new to anarchism. This is what this section of the FAQ is for, to show why the claims of these "anarchist" capitalists are false. Anarchism has always been anti-capitalist and any "anarchism" that claims otherwise cannot be part of the anarchist tradition. It is important to stress that anarchist opposition to the so-called capitalist "anarchists" do **not** reflect some kind of debate within anarchism, as many of these types like to pretend, but a debate between anarchism and its old enemy, capitalism. In many ways this debate mirrors the one between Peter Kropotkin and Herbert Spencer (an English capitalist minimal statist) at the turn the 19th century and, as such, it is hardly new.

At that time, people like Spencer tended to call themselves "liberals" while, as Bookchin noted, *"libertarian"* was *"a term created by nineteenth-century European anarchists, not by contemporary American right-wing proprietarians."* [**The Ecology of Freedom**, p. 57] David Goodway concurs, stating that *"libertarian"* has been *"frequently employed by anarchists"* as an alternative name for our politics for over a century. However, the *"situation has been vastly complicated in recent decades with the rise of ... extreme right-wing laissez-faire philosophy ... and*

and that to enslave a man is to kill him." [**What is Property?**, p. 37]

In contrast, the right-"libertarian" effectively argues that "I support slavery because I believe in liberty." It is a sad reflection of the ethical and intellectual bankruptcy of our society that such an "argument" is actually proposed by some people under the name of liberty. The concept of "slavery as freedom" is far too Orwellian to warrant a critique — we will leave it up to right-"libertarians" to corrupt our language and ethical standards with an attempt to prove it.

From the basic insight that slavery is the opposite of freedom, the anarchist rejection of authoritarian social relations quickly follows:

> *"Liberty is inviolable. I can neither sell nor alienate my liberty; every contract, every condition of a contract, which has in view the alienation or suspension of liberty, is null: the slave, when he plants his foot upon the soil of liberty, at that moment becomes a free man ... Liberty is the original condition of man; to renounce liberty is to renounce the nature of man: after that, how could we perform the acts of man?"* [P.J. Proudhon, **Op. Cit.**, p. 67]

The employment contract (i.e. wage slavery) abrogates liberty. It is based upon inequality of power and *"exploitation is a consequence of the fact that the sale of labour power entails the worker's subordination."* [Carole Pateman, **Op. Cit.**, p. 149] Hence Proudhon's support for self-management and opposition to capitalism — any relationship that resembles slavery is illegitimate and no contract that creates a relationship of subordination is valid. Thus in a truly anarchistic society, slave contracts would be unenforceable — people in a truly free (i.e. non-capitalist) society would **never** tolerate such a horrible institution or consider it a valid agreement. If someone was silly

harder to do so when talking about slavery or dictatorship (and let us not forget that Nozick also had no problem with autocracy — see section B.4). Then the contradictions are exposed for all to see and be horrified by.

All this does not mean that we must reject free agreement. Far from it! Free agreement is **essential** for a society based upon individual dignity and liberty. There are a variety of forms of free agreement and anarchists support those based upon co-operation and self-management (i.e. individuals working together as equals). Anarchists desire to create relationships which reflect (and so express) the liberty that is the basis of free agreement. Capitalism creates relationships that deny liberty. The opposition between autonomy and subjection can only be maintained by modifying or rejecting contract theory, something that capitalism cannot do and so the right-wing "libertarian" rejects autonomy in favour of subjection (and so rejects socialism in favour of capitalism).

So the real contrast between genuine libertarians and right-"libertarians" is best expressed in their respective opinions on slavery. Anarchism is based upon the individual whose individuality depends upon the maintenance of free relationships with other individuals. If individuals deny their capacities for self-government through a contract the individuals bring about a qualitative change in their relationship to others — freedom is turned into mastery and subordination. For the anarchist, slavery is thus the paradigm of what freedom is **not**, instead of an exemplification of what it is (as right-"libertarians" state). As Proudhon argued:

> *"If I were asked to answer the following question: What is slavery? and I should answer in one word, It is murder, my meaning would be understood at once. No extended argument would be required to show that the power to take from a man his thought, his will, his personality, is a power of life and death;*

[its advocates] adoption of the words 'libertarian' and 'libertarianism.' It has therefore now become necessary to distinguish between their right libertarianism and the left libertarianism of the anarchist tradition." [**Anarchist Seeds Beneath the Snow**, p. 4] This appropriation of the term "libertarian" by the right not only has bred confusion, but also protest as anarchists have tried to point out the obvious, namely that capitalism is marked by **authoritarian** social relationships and so there are good reasons for anarchism being a fundamentally anti-capitalist socio-political theory and movement. That a minority of the right "libertarians" have also tried to appropriate "anarchist" to describe their authoritarian politics is something almost all anarchists reject and oppose.

That the vast majority of anarchists reject the notion of "anarcho"-capitalism as a form of anarchism is an inconvenient fact for its supporters. Rather than address this, they generally point to the fact that some academics state that "anarcho"-capitalism is a form of anarchism and include it in their accounts of our movement and ideas. That some academics do this is true, but irrelevant. What counts is what anarchists think anarchism is. To place the opinions of academics above that of anarchists implies that anarchists know nothing about anarchism, that we do not really understand the ideas we advocate but academics do! Yet this is the implication. As such the near universal rejection of "anarcho"-capitalism as a form of anarchism within anarchist circles is significant. However, it could be argued that as a few anarchists (usually individualist ones, but not always) **do** admit "anarcho"-capitalism into our movement that this (very small) minority shows that the majority are "sectarian." Again, this is not convincing as some individuals in any movement will hold positions which the majority reject and which are, sometimes, incompatible with the basic principles of the movement (Proudhon's sexism and racism are obvious examples). Equally, given that anarchists and "anarcho"-capitalists have fundamentally ***different*** anal-

yses and goals it is hardly "sectarian" to point this out (being "sectarian" in politics means prioritising differences and rivalries with politically close groups).

Some scholars do note the difference. For example, Jeremy Jennings, in his excellent overview of anarchist theory and history, argues that it is *"hard not to conclude that these ideas ["anarcho"-capitalism] — with roots deep in classical liberalism — are described as anarchist only on the basis of a misunderstanding of what anarchism is."* [*"Anarchism"*, **Contemporary Political Ideologies**, Roger Eatwell and Anthony Wright (eds.), p. 142] Barbara Goodwin reaches a similar conclusion, noting that the "anarcho"-capitalists' *"true place is in the group of right-wing libertarians"* not in anarchism for *"[w]hile condemning absolutely state coercion, they tacitly condone the economic and interpersonal coercion which would prevail in a totally* ***laissez-faire*** *society. Most anarchists share the egalitarian ideal with socialists: anarcho-capitalists abhor equality and socialism equally."* [**Using Political Ideas**, p. 138]

Sadly, these seem to be the minority in academic circles as most are happy to discuss right-"libertarian" ideology as a subclass of anarchism in spite of there being so little in common between the two. Their inclusion does really seem to derive from the fact that "anarcho"-capitalists **call** themselves anarchists and the academics take this at face value. Yet, as one anarchist notes, having a *"completely fluid definition of anarchism, allows for anyone and anything to be described as such, no matter how authoritarian and anti-social."* [Benjamin Franks, *"Mortal Combat"*, pp. 4–6, **A Touch of Class**, no. 1, p. 5] Also, given that many academics approach anarchism from what could be termed the "dictionary definition" methodology rather than as a political movement approach there is a tendency for "anarcho"-capitalist claims to be taken at face value. As such, it is useful to stress that anarchism is a social movement with a long history and while its adherents have held di-

contradiction" in a modern liberal society for the state to prohibit slave contracts. He notes that there *"seems to be a basic shared prejudice of liberalism that slavery is inherently involuntary, so the issue of genuinely voluntary slavery has received little scrutiny. The perfectly valid liberal argument that involuntary slavery is inherently unjust is thus taken to include voluntary slavery (in which case, the argument, by definition, does not apply). This has resulted in an abridgement of the freedom of contract in modern liberal society."* Thus it is possible to argue for a *"civilised form of contractual slavery."* ["J. Philmore,", **Op. Cit.**]

So accurate and logical was Ellerman's article that many of its readers were convinced it **was** written by a right-"libertarian" (including, we have to say, us!). One such writer was Carole Pateman, who correctly noted that *"[t]here is a nice historical irony here. In the American South, slaves were emancipated and turned into wage labourers, and now American contractarians argue that all workers should have the opportunity to turn themselves into civil slaves."* [**Op. Cit.**, p. 63]).

The aim of Ellerman's article was to show the problems that employment (wage labour) presents for the concept of self-government and how contract need not result in social relationships based on freedom. As "Philmore" put it, *"[a]ny thorough and decisive critique of voluntary slavery or constitutional non-democratic government would carry over to the employment contract — which is the voluntary contractual basis for the free-market free-enterprise system. Such a critique would thus be a* ***reductio ad absurdum****."* As *"contractual slavery"* is an *"extension of the employer-employee contract,"* he shows that the difference between wage labour and slavery is the time scale rather than the principle or social relationships involved. [**Op. Cit.**] This explains why the early workers' movement called capitalism ***"wage slavery"*** and why anarchists still do. It exposes the unfree nature of capitalism and the poverty of its vision of freedom. While it is possible to present wage labour as "freedom" due to its "consensual" nature, it becomes much

of freedom cannot require that he should be free not to be free. It is not freedom, to be allowed to alienate his freedom." He adds that *"these reasons, the force of which is so conspicuous in this particular case, are evidently of far wider application."* [quoted by Pateman, **Op. Cit.**, pp. 171–2]

And it is such an application that defenders of capitalism fear (Mill did in fact apply these reasons wider and unsurprisingly became a supporter of a market syndicalist form of socialism). If we reject slave contracts as illegitimate then, logically, we must also reject **all** contracts that express qualities similar to slavery (i.e. deny freedom) including wage slavery. Given that, as David Ellerman points out, *"the voluntary slave ... and the employee cannot in fact take their will out of their intentional actions so that they could be 'employed' by the master or employer"* we are left with *"the rather implausible assertion that a person can vacate his or her will for eight or so hours a day for weeks, months, or years on end but cannot do so for a working lifetime."* [**Property and Contract in Economics**, p. 58] This is Rothbard's position.

The implications of supporting voluntary slavery is quite devastating for all forms of right-wing "libertarianism." This was proven by Ellerman when he wrote an extremely robust defence of it under the pseudonym "J. Philmore" called **The Libertarian Case for Slavery** (first published in **The Philosophical Forum**, xiv, 1982). This classic rebuttal takes the form of "proof by contradiction" (or **reductio ad absurdum**) whereby he takes the arguments of right-libertarianism to their logical end and shows how they reach the memorably conclusion that the *"time has come for liberal economic and political thinkers to stop dodging this issue and to critically re-examine their shared prejudices about certain voluntary social institutions ... this critical process will inexorably drive liberalism to its only logical conclusion: libertarianism that finally lays the true moral foundation for economic and political slavery."* Ellerman shows how, from a right-"libertarian" perspective there is a *"fundamental*

vergent views, it has never been limited to simply opposition to the state (i.e. the dictionary definition).

The "anarcho"-capitalist argument that it is a form of anarchism hinges on using the dictionary definition of "anarchism" and/or "anarchy." They try to define anarchism as being "opposition to government," and nothing else. Of course, many (if not most) dictionaries "define" anarchy as "chaos" or "disorder" but we never see "anarcho"-capitalists use those particular definitions! Moreover, and this should go without saying, dictionaries are hardly politically sophisticated and their definitions rarely reflect the wide range of ideas associated with political theories and their history. Thus the dictionary "definition" of anarchism will tend to ignore its consistent views on authority, exploitation, property and capitalism (ideas easily discovered if actual anarchist texts are read). And for this strategy to work, a lot of "inconvenient" history and ideas from all branches of anarchism must be ignored. From individualists like Tucker to communists like Kropotkin and considered anarchism as part of the wider socialist movement. Therefore "anarcho"-capitalists are not anarchists in the same sense that rain is not dry.

Significantly, the inventor of the term "anarcho"-capitalism, Murray Rothbard had no impact on the anarchist movement even in North America. His influence, unsurprisingly, was limited to the right, particularly in so-called "libertarian" circles. The same can be said of "anarcho"-capitalism in general. This can be seen from the way Rothbard is mentioned in Paul Nursey-Bray's bibliography on anarchist thinkers. This is an academic book, a reference for libraries. Rothbard is featured, but the context is very suggestive. The book includes Rothbard in a section titled *"On the Margins of Anarchist Theory."* His introduction to the Rothbard section is worth quoting:

> *"Either the inclusion or the omission of Rothbard as an anarchist is likely, in one quarter or another, to be*

> *viewed as contentious. Here, his Anarcho-Capitalism is treated as marginal, since, while there are linkages with the tradition of individualist anarchism, there is a dislocation between the mutualism and communitarianism of that tradition and the free market theory, deriving from Ludwig von Mises and Friedrich von Hayek, that underpins Rothbard's political philosophy, and places him in the modern Libertarian tradition.*" [**Anarchist Thinkers and Thought**, p. 133]

This is important, for while Rothbard (like other "anarcho"-capitalists) appropriates **some** aspects of individualist anarchism he does so in a highly selective manner and places what he does take into an utterly different social environment and political tradition. So while there are similarities between both systems, there are important differences as we will discuss in detail in section G along with the anti-capitalist nature of individualist anarchism (i.e. those essential bits which Rothbard and his followers ignore or dismiss). Needless to say, Nursey-Bray does not include "anarcho"-capitalism in his discussion of anarchist schools of thought in the bibliography's introduction.

Of course, we cannot stop the "anarcho"-capitalists using the words "anarcho", "anarchism" and "anarchy" to describe their ideas. The democracies of the west could not stop the Chinese Stalinist state calling itself the People's Republic of China. Nor could the social democrats stop the fascists in Germany calling themselves "National Socialists". Nor could the Italian anarcho-syndicalists stop the fascists using the expression "National Syndicalism". This does not mean their names reflected their content — China is a dictatorship, not a democracy; the Nazi's were not socialists (capitalists made fortunes in Nazi Germany because it crushed the labour movement); and the Italian fascist state had nothing in common with anarcho-syndicalist ideas of

contract is the means to secure and enhance individual freedom. Slavery is the antithesis to freedom and so, in theory, contract and slavery must be mutually exclusive. However, as indicated above, some contract theorists (past and present) have included slave contracts among legitimate contracts. This suggests that contract theory cannot provide the theoretical support needed to secure and enhance individual freedom.

As Carole Pateman argues, *"contract theory is primarily about a way of creating social relations constituted by subordination, not about exchange."* Rather than undermining subordination, contract theorists justify modern subjection — *"contract doctrine has proclaimed that subjection to a master — a boss, a husband — is freedom."* [**The Sexual Contract**, p. 40 and p. 146] The question central to contract theory (and so right-Libertarianism) is not "are people free" (as one would expect) but "are people free to subordinate themselves in any manner they please." A radically different question and one only fitting to someone who does not know what liberty means.

Anarchists argue that not all contracts are legitimate and no free individual can make a contract that denies his or her own freedom. If an individual is able to express themselves by making free agreements then those free agreements must also be based upon freedom internally as well. Any agreement that creates domination or hierarchy negates the assumptions underlying the agreement and makes itself null and void. In other words, voluntary government is still government and a defining characteristic of an anarchy must be, surely, "no government" and "no rulers."

This is most easily seen in the extreme case of the slave contract. John Stuart Mill stated that such a contract would be "null and void." He argued that an individual may voluntarily choose to enter such a contract but in so doing *"he abdicates his liberty; he foregoes any future use of it beyond that single act. He therefore defeats, in his own case, the very purpose which is the justification of allowing him to dispose of himself…The principle*

to working for them) such a "free child market" could easily become a "child slave market" — with entrepreneurs making a healthy profit selling infants and children or their labour to capitalists (as did occur in 19th century Britain). Unsurprisingly, Rothbard ignores the possible nasty aspects of such a market in human flesh (such as children being sold to work in factories, homes and brothels). But this is besides the point.

Of course, this theoretical justification for slavery at the heart of an ideology calling itself "libertarianism" is hard for many right-"libertarians" to accept and so they argue that such contracts would be very hard to enforce. This attempt to get out of the contradiction fails simply because it ignores the nature of the capitalist market. If there is a demand for slave contracts to be enforced, then companies will develop to provide that "service" (and it would be interesting to see how two "protection" firms, one defending slave contracts and another not, could compromise and reach a peaceful agreement over whether slave contracts were valid). Thus we could see a so-called "free" society producing companies whose specific purpose was to hunt down escaped slaves (i.e. individuals in slave contracts who have not paid damages to their owners for freedom). Of course, perhaps Rothbard would claim that such slave contracts would be "outlawed" under his *"general libertarian law code"* but this is a denial of market "freedom". If slave contracts **are** "banned" then surely this is paternalism, stopping individuals from contracting out their "labour services" to whom and however long they "desire". You cannot have it both ways.

So, ironically, an ideology proclaiming itself to support "liberty" ends up justifying and defending slavery. Indeed, for the right-"libertarian" the slave contract is an exemplification, not the denial, of the individual's liberty! How is this possible? How can slavery be supported as an expression of liberty? Simple, right-"libertarian" support for slavery is a symptom of a **deeper** authoritarianism, namely their uncritical acceptance of contract theory. The central claim of contract theory is that

decentralised, "from the bottom up" unions and the abolition of the state and capitalism.

It could be argued (and it has) that the previous use of a word does not preclude new uses. Language changes and, as such, it is possible for a **new** kind of "anarchism" to develop which has little, or no, similarities with what was previously known as anarchism. Equally, it could be said that new developments of anarchism have occurred in the past which were significantly different from old versions (for example, the rise of communist forms of anarchism in opposition to Proudhon's anti-communist mutualism). Both arguments are unconvincing. The first just makes a mockery of the concept of language and breeds confusion. If people start calling black white, it does not make it so. Equally, to call an ideology with little in common with a known and long established socio-political theory and movement the same name simply results in confusion. No one takes, say, fascists seriously when they call their parties "democratic" nor would we take Trotskyists seriously if they started to call themselves "libertarians" (as some have started to do). The second argument fails to note that developments within anarchism built upon what came before and did not change its fundamental (socialistic) basis. Thus communist and collectivist anarchism are valid forms of anarchism because they built upon the key insights of mutualism rather than denying them.

A related defence of "anarcho"-capitalism as a form of anarchism is the suggestion that the problem is one of terminology. This argument is based on noting that "anarcho"-capitalists are against "actually existing" capitalism and so *"we must distinguish between 'free-market capitalism' ... and 'state capitalism' ... The two are as different as day and night."* [Rothbard, **The Logic of Action II**, p. 185] It would be churlish indeed to point out that the **real** difference is that one exists while the other has existed only in Rothbard's head. Yet point it out we must, for the simple fact is that not only do "anarcho"-capitalists use the

word anarchism in an unusual way (i.e. in opposition to what has always been meant by the term), they also use the word capitalism in a like manner (i.e., to refer to something that has never existed). It should go without saying that using words like "capitalism" and "anarchism" in ways radically different to traditional uses cannot help but provoke confusion. Yet is it a case that "anarcho"-capitalists have simply picked a bad name for their ideology? Hardly, as its advocates will quickly rush to defend exploitation (non-labour income) and capitalist property rights as well as the authoritarian social structures produced with them. Moreover, as good capitalist economists the notion of an economy without interest, rent and profit is considered highly inefficient and so unlikely to develop. As such, their ideology is rooted in a perspective and an economy marked by wage labour, landlords, banking and stock markets and so hierarchy, oppression and exploitation, i.e. a capitalist one.

So they have chosen their name well as it shows in clear light how far they are from the anarchist tradition. As such, almost all anarchists would agree with long-time anarchist activist Donald Rooum's comment that *"self-styled 'anarcho-capitalists' (not to be confused with anarchists of any persuasion) [simply] want the state abolished as a regulator of capitalism, and government handed over to capitalists."* They are *"wrongly self-styled 'anarchists'"* because they *"do not oppose capitalist oppression"* while genuine anarchists are *"extreme libertarian socialists."* [**What Is Anarchism?**, p. 7, pp. 12–13 and p. 10] As we stress in section F.1, "anarcho"-capitalists do not oppose the hierarchies and exploitation associated with capitalism (wage labour and landlordism) and, consequently, have no claim to the term "anarchist." Just because someone uses a label it does not mean that they support the ideas associated with that label and this is the case with "anarcho"-capitalism — its ideas are at odds with the key ideas associated with all forms of traditional anarchism (even individualist anarchism which is often

state. In such a system, the slave could agree to perform X years labour or pay their master substantial damages if they fail to do so. It is the threat of damages that enforces the contract and such a "contract" Rothbard does agree is enforceable. Another means of creating slave contracts would be *"conditional exchange"* which Rothbard also supports. As for debt bondage, that too, seems acceptable. He surreally notes that paying damages and debts in such contracts is fine as *"money, of course, **is** alienable"* and so forgets that it needs to be earned by labour which, he asserts, is **not** alienable! [**The Ethics of Liberty**, pp. 134–135, p. 40, pp. 136–9, p. 141 and p. 138]

It should be noted that the slavery contract cannot be null and void because it is unenforceable, as Rothbard suggests. This is because the doctrine of specific performance applies to all contracts, not just to labour contracts. This is because **all** contracts specify some future performance. In the case of the lifetime labour contract, then it can be broken as long as the slave pays any appropriate damages. As Rothbard puts it elsewhere, *"if A has agreed to work for life for B in exchange for 10,000 grams of gold, he will have to return the proportionate amount of property if he terminates the arrangement and ceases to work."* [**Man, Economy, and State**, vol. I , p. 441] This is understandable, as the law generally allows material damages for breached contracts, as does Rothbard in his support for the *"performance bond"* and *"conditional exchange."* Needless to say, having to pay such damages (either as a lump sum or over a period of time) could turn the worker into the most common type of modern slave, the debt-slave.

And it is interesting to note that even Murray Rothbard is not against the selling of humans. He argued that children are the property of their parents who can (bar actually murdering them by violence) do whatever they please with them, even sell them on a *"flourishing free child market."* [**The Ethics of Liberty**, p. 102] Combined with a whole hearted support for child labour (after all, the child can leave its parents if it objects

In summary, right-"libertarians" are talking about "civilised" slavery (or, in other words, civil slavery) and not forced slavery. While some may have reservations about calling it slavery, they agree with the basic concept that since people own themselves they can sell themselves, that is sell their labour for a lifetime rather than piecemeal.

We must stress that this is no academic debate. "Voluntary" slavery has been a problem in many societies and still exists in many countries today (particularly third world ones where bonded labour — i.e. where debt is used to enslave people — is the most common form). With the rise of sweat shops and child labour in many "developed" countries such as the USA, "voluntary" slavery (perhaps via debt and bonded labour) may become common in all parts of the world — an ironic (if not surprising) result of "freeing" the market and being indifferent to the actual freedom of those within it.

Some right-"libertarians" are obviously uneasy with the logical conclusion of their definition of freedom. Murray Rothbard, for example, stressed the *"unenforceability, in libertarian theory, of voluntary slave contracts."* Of course, **other** "libertarian" theorists claim the exact opposite, so *"libertarian theory"* makes no such claim, but never mind! Essentially, his objection revolves around the assertion that a person *"cannot, in nature, sell himself into slavery and have this sale enforced — for this would mean that his future will over his own body was being surrendered in advance"* and that if a *"labourer remains totally subservient to his master's will voluntarily, he is not yet a slave since his submission is voluntary."* However, as we noted in section F.2, Rothbard emphasis on quitting fails to recognise the actual denial of will and control over ones own body that is explicit in wage labour. It is this failure that pro-slave contract "libertarians" stress — they consider the slave contract as an extended wage contract. Moreover, a modern slave contract would likely take the form of a *"performance bond,"* on which Rothbard laments about its *"unfortunate suppression"* by the

claimed, usually by "anarcho"-capitalists, as being a forefather of the ideology).

We are covering this topic in an anarchist FAQ for three reasons. Firstly, the number of "libertarian" and "anarcho"-capitalists on the net means that those seeking to find out about anarchism may conclude that they are "anarchists" as well. Secondly, unfortunately, some academics and writers have taken their claims of being anarchists at face value and have included their ideology in general accounts of anarchism (the better academic accounts do note that anarchists generally reject the claim). These two reasons are obviously related and hence the need to show the facts of the matter. The last reason is to provide other anarchists with arguments and evidence to use against "anarcho"-capitalism and its claims of being a new form of "anarchism."

So this section of the FAQ does not, as we noted above, represent some kind of "debate" within anarchism. It reflects the attempt by anarchists to reclaim the history and meaning of anarchism from those who are attempting to steal its name. However, our discussion also serves two other purposes. Firstly, critiquing right "libertarian" theories allows us to explain anarchist ones at the same time and indicate why they are better. Secondly, and more importantly, it shares many of the same assumptions and aims of neo-liberalism. This was noted by Bob Black in the early 1980s, when a *"wing of the Reaganist Right ... obviously appropriated, with suspect selectivity, such libertarian themes as deregulation and voluntarism. Ideologues indignate that Reagan has travestied their principles. Tough shit! I notice that it's* ***their*** *principles, not mine, that he found suitable to travesty."* [*"The Libertarian As Conservative"*, pp. 141–8, **The Abolition of Work and Other Essays**, pp. 141–2] This was echoed by Noam Chomsky two decades later when he stated that *"nobody takes [right-wing libertarianism] seriously"* (as *"everybody knows that a society that worked by ... [its] principles would self-destruct in three seconds"*). The *"only reason"* why some people

in the ruling elite *"pretend to take it seriously is because you can use it as a weapon"* in the class struggle [**Understanding Power**, p. 200] As neo-liberalism is being used as the ideological basis of the current attack on the working class, critiquing "anarcho"-capitalism also allows us to build theoretical weapons to use to resist this attack and aid our side in the class war.

The results of the onslaught of free(r) market capitalism along with anarchist criticism of "anarcho"-capitalism has resulted in some "anarcho"-capitalists trying to re-brand their ideology as "market anarchism." This, from their perspective, has two advantages. Firstly, it allows them to co-opt the likes of Tucker and Spooner (and, sometimes, even Proudhon!) into their family tree as all these supported markets (while systematically attacking capitalism). Secondly, it allows them to distance their ideology from the grim reality of neo-liberalism and the results of making capitalism more "free market." Simply put, going on about the benefits of "free market" capitalism while freer market capitalism is enriching the already wealthy and oppressing and impoverishing the many is hard going. Using the term "market anarchism" to avoid both the reality of anarchism's anti-capitalist core and the reality of the freer market capitalism they have helped produce makes sense in the marketplace of ideas (the term "blackwashing" seems appropriate here). The fact is that however laudable its stated aims, "anarcho"-capitalism is deeply flawed due to its simplistic nature and is easy to abuse on behalf of the economic oligarchy that lurks behind the rhetoric of economic textbooks in that "special case" so ignored by economists, namely reality.

Anarchism has always been aware of the existence of "free market" capitalism, particularly its extreme (minimal state) wing, and has always rejected it. As we discuss in section F.7, anarchists from Proudhon onwards have rejected it (and, significantly, vice versa). As academic Alan Carter notes, anarchist concern for equality as a necessary precondition for genuine freedom *"is one very good reason for not confusing anarchists*

Not that Locke was bothered by **involuntary** slavery. He was heavily involved in the slave trade. He owned shares in the "**Royal Africa Company**" which carried on the slave trade for England, making a profit when he sold them. He also held a significant share in another slave company, the "**Bahama Adventurers.**" In the *"Second Treatise"*, Locke justified slavery in terms of *"Captives taken in a just war,"* a war waged against aggressors. [Section 85] That, of course, had nothing to do with the **actual** slavery Locke profited from (slave raids were common, for example). Nor did his "liberal" principles stop him suggesting a constitution that would ensure that *"every freeman of Carolina shall have absolute power and authority over his Negro slaves."* The constitution itself was typically autocratic and hierarchical, designed explicitly to *"avoid erecting a numerous democracy."* [**The Works of John Locke**, vol. X, p. 196]

So the notion of contractual slavery has a long history within right-wing liberalism, although most refuse to call it by that name. It is of course simply embarrassment that stops many right-"libertarians" calling a spade a spade. They incorrectly assume that slavery has to be involuntary. In fact, historically, voluntary slave contracts have been common (David Ellerman's **Property and Contract in Economics** has an excellent overview). Any new form of voluntary slavery would be a "civilised" form of slavery and could occur when an individual would "agree" to sell their lifetime's labour to another (as when a starving worker would "agree" to become a slave in return for food). In addition, the contract would be able to be broken under certain conditions (perhaps in return for breaking the contract, the former slave would have pay damages to his or her master for the labour their master would lose — a sizeable amount no doubt and such a payment could result in debt slavery, which is the most common form of "civilised" slavery. Such damages may be agreed in the contract as a "performance bond" or "conditional exchange."

"strengthens libertarianism by making it more internally consistent." He argues that his position shows *"that contract, predicated on private property [can] reach to the furthest realms of human interaction, even to voluntary slave contracts."* [*"Towards a Libertarian Theory of Inalienability: A Critique of Rothbard, Barnett, Smith, Kinsella, Gordon, and Epstein,"* pp. 39–85, **Journal of Libertarian Studies**, vol. 17, no. 2, p. 44, p. 48, p. 82 and p. 46]

So the logic is simple, you cannot really own something unless you can sell it. Self-ownership is one of the cornerstones of laissez-faire capitalist ideology. Therefore, since you own yourself you can sell yourself.

This defence of slavery should not come as a surprise to any one familiar with classical liberalism. An elitist ideology, its main rationale is to defend the liberty and power of property owners and justify unfree social relationships (such as government and wage labour) in terms of "consent." Nozick and Block just takes it to its logical conclusion. This is because his position is not new but, as with so many other right-"libertarian" ones, can be found in John Locke's work. The key difference is that Locke refused the term *"slavery"* and favoured *"drudgery"* as, for him, slavery mean a relationship *"between a lawful conqueror and a captive"* where the former has the power of life and death over the latter. Once a *"compact"* is agreed between them, *"an agreement for a limited power on the one side, and obedience on the other ... slavery ceases."* As long as the master could not kill the slave, then it was *"drudgery."* Like Nozick, he acknowledges that *"men did sell themselves; but, it is plain, this was only to drudgery, not to slavery: for, it is evident, the person sold was not under an absolute, arbitrary, despotical power: for the master could not have power to kill him, at any time, whom, at a certain time, he was obliged to let go free out of his service."* [Locke, **Second Treatise of Government**, Section 24] In other words, voluntary slavery was fine but just call it something else.

with liberals or economic 'libertarians' — in other words, for not lumping together everyone who is in some way or another critical of the state. It is why calling the likes of Nozick 'anarchists' is highly misleading." [*"Some notes on 'Anarchism'"*, pp. 141–5, **Anarchist Studies**, vol. 1, no. 2, p. 143] So anarchists have evaluated "free market" capitalism and rejected it as non-anarchist since the birth of anarchism and so attempts by "anarcho"-capitalism to say that their system is "anarchist" flies in the face of this long history of anarchist analysis. That some academics fall for their attempts to appropriate the anarchist label for their ideology is down to a false premise: it *"is judged to be anarchism largely because some anarcho-capitalists **say** they are 'anarchists' and because they criticise the State."* [Peter Sabatini, **Social Anarchism**, no. 23, p. 100]

More generally, we must stress that most (if not all) anarchists do not want to live in a society **just like this one** but without state coercion and (the initiation of) force. Anarchists do not confuse "freedom" with the "right" to govern and exploit others nor with being able to change masters. It is not enough to say we can start our own (co-operative) business in such a society. We want the abolition of the capitalist system of authoritarian relationships, not just a change of bosses or the possibility of little islands of liberty within a sea of capitalism (islands which are always in danger of being flooded and our freedom destroyed). Thus, in this section of the FAQ, we analysis many "anarcho"-capitalist claims on their own terms (for example, the importance of equality in the market or why replacing the state with private defence firms is simply changing the name of the state rather than abolishing it) but that does not mean we desire a society nearly identical to the current one. Far from it, we want to transform this society into one more suited for developing and enriching individuality and freedom.

Finally, we dedicate this section of the FAQ to those who have seen the real face of "free market" capitalism at work: the working men and women (anarchist or not) murdered in the

jails and concentration camps or on the streets by the hired assassins of capitalism.

For more discussion on this issue, see the appendix "Anarchism and 'Anarcho'-capitalism"

Anarchism, by definition, is in favour of organisations and social relationships which are non-hierarchical and non-authoritarian. Otherwise, some people are more free than others. Failing to attack hierarchy leads to massive contradiction. For example, since the British Army is a volunteer one, it is an "anarchist" organisation! Ironically, it can also allow a state to appear "libertarian" as that, too, can be considered voluntary arrangement as long as it allows its subjects to emigrate freely. So equating freedom with (capitalist) property rights does not protect freedom, in fact it actively denies it. This lack of freedom is only inevitable as long as we accept capitalist private property rights. If we reject them, we can try and create a world based on freedom in all aspects of life, rather than just in a few.

F.2.2 Do "libertarian"-capitalists support slavery?

Yes. It may come as a surprise to many people, but right-"Libertarianism" is one of the few political theories that justifies slavery. For example, Robert Nozick asks whether *"a free system would allow [the individual] to sell himself into slavery"* and he answers *"I believe that it would."* [**Anarchy, State and Utopia**, p. 371] While some right-"libertarians" do not agree with Nozick, there is no logical basis in their ideology for such disagreement.

This can be seen from "anarcho"-capitalist Walter Block, who, like Nozick, supports voluntary slavery. As he puts it, *"if I own something, I can sell it (and should be allowed by law to do so). If I can't sell, then, and to that extent, I really don't own it."* Thus agreeing to sell yourself for a lifetime *"is a bona fide contract"* which, if *"abrogated, theft occurs."* He critiques those other right-wing "libertarians" (like Murray Rothbard) who oppose voluntary slavery as being inconsistent to their principles. Block, in his words, seeks to make *"a tiny adjustment"* which

which do not provide men with automatic prosperity. It means freedom from the coercive power of the state — and nothing else!" [**Capitalism: The Unknown Ideal**, p. 192] By arguing in this way, right-"libertarians" ignore the vast number of authoritarian social relationships that exist in capitalist society and, as Rand does here, imply that these social relationships are like *"the laws of nature."* However, if one looks at the world without prejudice but with an eye to maximising freedom, the major coercive institutions are the state **and** capitalist social relationships (and the latter relies on the former). It should also be noted that, unlike gravity, the power of the landlord and boss depends on the use of force — gravity does not need policemen to make things fall!

The right "libertarian," then, far from being a defender of freedom, is in fact a keen defender of certain forms of authority. As Kropotkin argued against a forerunner of right-"libertarianism":

> *"The modern Individualism initiated by Herbert Spencer is, like the critical theory of Proudhon, a powerful indictment against the dangers and wrongs of government, but its practical solution of the social problem is miserable — so miserable as to lead us to inquire if the talk of 'No force' be merely an excuse for supporting landlord and capitalist domination."* [**Act For Yourselves**, p. 98]

To defend the "freedom" of property owners is to defend authority and privilege — in other words, statism. So, in considering the concept of liberty as "freedom from," it is clear that by defending private property (as opposed to possession) the "anarcho"-capitalist is defending the power and authority of property owners to govern those who use "their" property. And also, we must note, defending all the petty tyrannies that make the work lives of so many people frustrating, stressful and unrewarding.

F.1 Are "anarcho"-capitalists really anarchists?

In a word, no. While "anarcho"-capitalists obviously try to associate themselves with the anarchist tradition by using the word "anarcho" or by calling themselves "anarchists" their ideas are distinctly at odds with those associated with anarchism. As a result, any claims that their ideas are anarchist or that they are part of the anarchist tradition or movement are false.

"Anarcho"-capitalists claim to be anarchists because they say that they oppose government. As noted in the last section, they use a dictionary definition of anarchism. However, this fails to appreciate that anarchism is a **political theory**. As dictionaries are rarely politically sophisticated things, this means that they fail to recognise that anarchism is more than just opposition to government, it is also marked a opposition to capitalism (i.e. exploitation and private property). Thus, opposition to government is a necessary but not sufficient condition for being an anarchist — you also need to be opposed to exploitation and capitalist private property. As "anarcho"-capitalists do not consider interest, rent and profits (i.e. capitalism) to be exploitative nor oppose capitalist property rights, they are not anarchists.

Part of the problem is that Marxists, like many academics, also tend to assert that anarchists are simply against the state. It is significant that both Marxists and "anarcho"-capitalists tend to define anarchism as purely opposition to government. This is no co-incidence, as both seek to exclude anarchism from its

place in the wider socialist movement. This makes perfect sense from the Marxist perspective as it allows them to present their ideology as the only serious anti-capitalist one around (not to mention associating anarchism with "anarcho"-capitalism is an excellent way of discrediting our ideas in the wider radical movement). It should go without saying that this is an obvious and serious misrepresentation of the anarchist position as even a superficial glance at anarchist theory and history shows that no anarchist limited their critique of society simply at the state. So while academics and Marxists seem aware of the anarchist opposition to the state, they usually fail to grasp the anarchist critique applies to all other authoritarian social institutions and how it fits into the overall anarchist analysis and struggle. They seem to think the anarchist condemnation of capitalist private property, patriarchy and so forth are somehow superfluous additions rather than a logical position which reflects the core of anarchism:

> *"Critics have sometimes contended that anarchist thought, and classical anarchist theory in particular, has emphasised opposition to the state to the point of neglecting the real hegemony of economic power. This interpretation arises, perhaps, from a simplistic and overdrawn distinction between the anarchist focus on political domination and the Marxist focus on economic exploitation ... there is abundant evidence against such a thesis throughout the history of anarchist thought."* [John P. Clark and Camille Martin, **Anarchy, Geography, Modernity**, p. 95]

So Reclus simply stated the obvious when he wrote that *"the anti-authoritarian critique to which the state is subjected applies equally to all social institutions."* [quoted by Clark and Martin, **Op. Cit.**, p. 140] Proudhon, Bakunin, Kropotkin, Goldman and so on would all agree with that. While they all stressed that anarchism was against the state they quickly moved on to present

exploitative as it is **highly** unlikely that those at the top will not abuse their power). Representing employment relations as voluntary agreement simply mystifies the existence and exercise of power within the organisation so created.

As we argue further in the section F.3, in a capitalist society workers have the option of finding a job or facing abject poverty and/or starvation. Little wonder, then, that people "voluntarily" sell their labour and "consent" to authoritarian structures! They have little option to do otherwise. So, **within** the labour market workers **can** and **do** seek out the best working conditions possible, but that does not mean that the final contract agreed is "freely" accepted and not due to the force of circumstances, that both parties have equal bargaining power when drawing up the contract or that the freedom of both parties is ensured.

Which means to argue (as right-"libertarians" do) that freedom cannot be restricted by wage labour because people enter into relationships they consider will lead to improvements over their initial situation totally misses the point. As the initial situation is not considered relevant, their argument fails. After all, agreeing to work in a sweatshop 14 hours a day **is** an improvement over starving to death — but it does not mean that those who so agree are free when working there or actually **want** to be there. They are not and it is the circumstances, created and enforced by the law (i.e., the state), that have ensured that they "consent" to such a regime (given the chance, they would desire to **change** that regime but cannot as this would violate their bosses property rights and they would be repressed for trying).

So the right-wing "libertarian" right is interested only in a narrow concept of freedom (rather than in freedom or liberty as such). This can be seen in the argument of Ayn Rand that *"**Freedom**, in a political context, means freedom from government coercion. It does **not** mean freedom from the landlord, or freedom from the employer, or freedom from the laws of nature*

Indeed, if your personal life were as closely monitored and regulated as the work life of millions of people across the world, you would rightly consider it the worse form of oppression and tyranny.

Somewhat ironically, right-wing liberal and "free market" economist Milton Friedman contrasted *"central planning involving the use of coercion — the technique of the army or the modern totalitarian state"* with *"voluntary co-operation between individuals — the technique of the marketplace"* as two distinct ways of co-ordinating the economic activity of large groups (*"millions"*) of people. [**Capitalism and Freedom**, p. 13] However, this misses the key issue of the internal nature of the company. As right-"libertarians" themselves note, the internal structure of a capitalist company is hierarchical. Indeed, the capitalist company **is** a form of central planning and so shares the same "technique" as the army. As Peter Drucker noted in his history of General Motors, *"[t]here is a remarkably close parallel between General Motors' scheme of organisation and those of the two institutions most renowned for administrative efficiency: that of the Catholic Church and that of the modern army."* [quoted by David Engler, **Apostles of Greed**, p. 66] Thus capitalism is marked by a series of totalitarian organisations. Dictatorship does not change much — nor does it become less fascistic — when discussing economic structures rather than political ones. To state the obvious, *"the employment contract (like the marriage contract) is not an exchange; both contracts create social relations that endure over time — social relations of subordination."* [Carole Pateman, **The Sexual Contract**, p. 148]

Perhaps Reekie (like most right-"libertarians") will maintain that workers voluntarily agree ("consent") to be subject to the bosses dictatorship (he writes that *"each will only enter into the contractual agreement known as a firm if each believes he will be better off thereby. The firm is simply another example of mutually beneficial exchange."* [**Op. Cit.**, p. 137]). However, this does not stop the relationship being authoritarian or dictatorial (and so

a critique of private property and other forms of hierarchical authority. So while anarchism obviously opposes the state, *"sophisticated and developed anarchist theory proceeds further. It does not stop with a criticism of political organisation, but goes on to investigate the authoritarian nature of economic inequality and private property, hierarchical economic structures, traditional education, the patriarchal family, class and racial discrimination, and rigid sex- and age-roles, to mention just a few of the more important topics."* For the *"essence of anarchism is, after all, not the theoretical opposition to the state, but the practical and theoretical struggle against domination."* [John Clark, **The Anarchist Moment**, p. 128 and p. 70]

This is also the case with individualist anarchists whose defence of certain forms of property did stop them criticising key aspects of **capitalist** property rights. As Jeremy Jennings notes, the *"point to stress is that all anarchists, and not only those wedded to the predominant twentieth-century strain of anarchist communism have been critical of private property to the extent that it was a source of hierarchy and privilege."* He goes on to state that anarchists like Tucker and Spooner *"agreed with the proposition that property was legitimate only insofar as it embraced no more than the total product of individual labour."* [*"Anarchism"*, **Contemporary Political Ideologies**, Roger Eatwell and Anthony Wright (eds.), p. 132] This is acknowledged by the likes of Rothbard who had to explicitly point how that his position on such subjects was fundamentally different (i.e., at odds) with individualist anarchism.

As such, it would be fair to say that most "anarcho"-capitalists are capitalists first and foremost. If aspects of anarchism do not fit with some element of capitalism, they will reject that element of anarchism rather than question capitalism (Rothbard's selective appropriation of the individualist anarchist tradition is the most obvious example of this). This means that right-"libertarians" attach the "anarcho" prefix to their ideology because they believe that being against government in-

tervention is equivalent to being an anarchist (which flows into their use of the dictionary definition of anarchism). That they ignore the bulk of the anarchist tradition should prove that there is hardly anything anarchistic about them at all. They are not against authority, hierarchy or the state — they simply want to privatise them.

Ironically, this limited definition of "anarchism" ensures that "anarcho"-capitalism is inherently self-refuting. This can be seen from leading "anarcho"-capitalist Murray Rothbard. He thundered against the evil of the state, arguing that it *"arrogates to itself a monopoly of force, of ultimate decision-making power, over a given territorial area."* In and of itself, this definition is unremarkable. That a few people (an elite of rulers) claim the right to rule others must be **part** of any sensible definition of the state or government. However, the problems begin for Rothbard when he notes that *"[o]bviously, in a free society, Smith has the ultimate decision-making power over his own just property, Jones over his, etc."* [**The Ethics of Liberty**, p. 170 and p. 173] The logical contradiction in this position should be obvious, but not to Rothbard. It shows the power of ideology, the ability of mere words (the expression *"private property"*) to turn the bad (*"ultimate decision-making power over a given area"*) into the good (*"ultimate decision-making power over a given area"*).

Now, this contradiction can be solved in only **one** way — the users of the *"given area"* are also its owners. In other words, a system of possession (or "occupancy and use") as favoured by anarchists. However, Rothbard is a capitalist and supports private property, non-labour income, wage labour, capitalists and landlords. This means that he supports a divergence between ownership and use and this means that this *"ultimate decision-making power"* extends to those who **use**, but do not own, such property (i.e. tenants and workers). The statist nature of private property is clearly indicated by Rothbard's words — the property owner in an "anarcho"-capitalist society possesses the *"ul-*

as employers order employees to abide by the terms of the contract." [**Markets, Entrepreneurs and Liberty**, p. 136 and p. 137]. Given that *"the terms of contract"* involve the worker agreeing to obey the employers orders and that they will be fired if they do not, its pretty clear that the ordering that goes on in the *"intra-firm labour market"* is decidedly **one way**. Bosses have the power, workers are paid to obey. And this begs the question: **if** the employment contract creates a free worker, why must she abandon her liberty during work hours?

Reekie actually recognises this lack of freedom in a "round about" way when he notes that *"employees in a firm at any level in the hierarchy can exercise an entrepreneurial role. The area within which that role can be carried out increases the more authority the employee has."* [**Op. Cit.**, p. 142] Which means workers **are** subject to control from above which restricts the activities they are allowed to do and so they are **not** free to act, make decisions, participate in the plans of the organisation, to create the future and so forth within working hours. And it is strange that while recognising the firm as a hierarchy, Reekie tries to deny that it is authoritarian or dictatorial — as if you could have a hierarchy without authoritarian structures or an unelected person in authority who is not a dictator. His confusion is shared by Austrian guru Ludwig von Mises, who asserted that the *"entrepreneur and capitalist are not irresponsible autocrats"* because they are *"unconditionally subject to the sovereignty of the consumer"* while, **on the next page**, admitting there was a *"managerial hierarchy"* which contains *"the average subordinate employee."* [**Human Action**, p. 809 and p. 810] It does not enter his mind that the capitalist may be subject to some consumer control while being an autocrat to their subordinated employees. Again, we find the right-"libertarian" acknowledging that the capitalist managerial structure is a hierarchy and workers are subordinated while denying it is autocratic to the workers! Thus we have "free" workers within a relationship distinctly **lacking** freedom — a strange paradox.

freely by men of good will, based on a consideration of their common interests" and another which *"accepts the existence of either temporary or permanent masters to whom [its members] owe obedience."* [quoted by Clark and Martin, **Anarchy, Geography, Modernity**, p. 62] In other words, when choosing between anarchism and capitalism, "anarcho"-capitalists pick the latter and call it the former.

F.2.1 How does private property affect freedom?

The right-"libertarian" either does not acknowledge or dismisses as irrelevant the fact that the (absolute) right of private property may lead to extensive control by property owners over those who use, but do not own, property (such as workers and tenants). Thus a free-market capitalist system leads to a very selective and class-based protection of "rights" and "freedoms." For example, under capitalism, the "freedom" of employers inevitably conflicts with the "freedom" of employees. When stockholders or their managers exercise their "freedom of enterprise" to decide how their company will operate, they violate their employee's right to decide how their labouring capacities will be utilised and so under capitalism the "property rights" of employers will conflict with and restrict the "human right" of employees to manage themselves. Capitalism allows the right of self-management only to the few, not to all. Or, alternatively, capitalism does not recognise certain human rights as **universal** which anarchism does.

This can be seen from Austrian Economist W. Duncan Reekie's defence of wage labour. While referring to *"intra-firm labour markets"* as *"hierarchies"*, Reekie (in his best ***ex cathedra*** tone) states that *"[t]here is nothing authoritarian, dictatorial or exploitative in the relationship. Employees order employers to pay them amounts specified in the hiring contract just as much*

timate decision-making power" over a given area, which is also what the state has currently. Rothbard has, ironically, proved by his own definition that "anarcho"-capitalism is not anarchist.

Of course, it would be churlish to point out that the usual name for a political system in which the owner of a territory is also its ruler is, in fact, monarchy. Which suggests that while "anarcho"-capitalism may be called "anarcho-statism" a far better term could be "anarcho-monarchism." In fact, some "anarcho"-capitalists have made explicit this obvious implication of Rothbard's argument. Hans-Hermann Hoppe is one.

Hoppe prefers monarchy to democracy, considering it the superior system. He argues that the monarch is the **private** owner of the government — all the land and other resources are **owned** by him. Basing himself on Austrian economics (what else?) and its notion of time preference, he concludes that the monarch will, therefore, work to maximise both current income and the total capital value of his estate. Assuming self-interest, his planning horizon will be farsighted and exploitation be far more limited. Democracy, in contrast, is a publicly-owned government and the elected rulers have use of resources for a short period only and **not** their capital value. In other words, they do not own the country and so will seek to maximise their short-term interests (and the interests of those they think will elect them into office). In contrast, Bakunin stressed that if anarchism rejects democracy it was *"hardly in order to reverse it but rather to advance it,"* in particular to extend it via *"the great economic revolution without which every right is but an empty phrase and a trick."* He rejected wholeheartedly *"the camp of aristocratic ... reaction."* [**The Basic Bakunin**, p. 87]

However, Hoppe is not a traditional monarchist. His ideal system is one of **competing** monarchies, a society which is led by a *"voluntarily acknowledged 'natural' elite — a* ***nobilitas naturalis****"* comprised of *"families with long-established records of superior achievement, farsightedness, and exemplary personal*

conduct." This is because *"a few individuals quickly acquire the status of an elite"* and their inherent qualities will *"more likely than not [be] passed on within a few — noble — families."* The sole "problem" with traditional monarchies was *"with **monopoly**, not with elites or nobility,"* in other words the King monopolised the role of judge and their subjects could not turn to other members of the noble class for services. [*"The Political Economy of Monarchy and Democracy and the Idea of a Natural Order,"* pp. 94–121, **Journal of Libertarian Studies**, vol. 11, no. 2, p. 118 and p. 119]

Which simply confirms the anarchist critique of "anarcho"-capitalism, namely that it is **not** anarchist. This becomes even more obvious when Hoppe helpfully expands on the reality of "anarcho"-capitalism:

> *"In a covenant concluded among proprietor and community tenants for the purpose of protecting their private property, no such thing as a right to free (unlimited) speech exists, not even to unlimited speech on one's own tenant-property. One may say innumerable things and promote almost any idea under the sun, but naturally no one is permitted to advocate ideas contrary to the very purpose of the covenant of preserving private property, such as democracy and communism. There can be no tolerance towards democrats and communists in a libertarian social order. They will have to be physically separated and expelled from society. Likewise in a covenant founded for the purpose of protecting family and kin, there can be no tolerance toward those habitually promoting lifestyles incompatible with this goal. They — the advocates of alternative, non-family and kin-centred lifestyles such as, for instance, individual hedonism, parasitism, nature-environment worship, homosexuality, or commu-*

precisely that. Whether politically or economically, liberalism has always rushed to justify and rationalise the individual subjecting themselves to some form of hierarchy. That "anarcho"-capitalism does this under the name "anarchism" is deeply insulting to anarchists.

Overall, we can see that the logic of the right-"libertarian" definition of "freedom" ends up negating itself because it results in the creation and encouragement of **authority**, which is an **opposite** of freedom. For example, as Ayn Rand pointed out, *"man has to sustain his life by his own effort, the man who has no right to the product of his effort has no means to sustain his life. The man who produces while others dispose of his product, is a slave."* [**The Ayn Rand Lexicon: Objectivism from A to Z**, pp. 388–9] But, as was shown in section C.2, capitalism is based on, as Proudhon put it, workers working *"for an entrepreneur who pays them and keeps their products,"* and so is a form of **theft**. Thus, by "libertarian" capitalism's **own** logic, capitalism is based not on freedom, but on (wage) slavery; for interest, profit and rent are derived from a worker's **unpaid** labour, i.e. *"others dispose of his [sic] product."*

Thus it is debatable that a right-"libertarian" or "anarcho" capitalist society would have less unfreedom or authoritarianism in it than "actually existing" capitalism. In contrast to anarchism, "anarcho"-capitalism, with its narrow definitions, restricts freedom to only a few areas of social life and ignores domination and authority beyond those aspects. As Peter Marshall points out, their *"definition of freedom is entirely negative. It calls for the absence of coercion but cannot guarantee the positive freedom of individual autonomy and independence."* [**Demanding the Impossible**, p. 564] By confining freedom to such a narrow range of human action, "anarcho"-capitalism is clearly **not** a form of anarchism. Real anarchists support freedom in every aspect of an individual's life.

In short, as French anarchist Elisee Reclus put it there is *"an abyss between two kinds of society,"* one of which is *"constituted*

Unlike anarchists, the "anarcho"-capitalist account of freedom allows an individual's freedom to be rented out to another while maintaining that the person is still free. It may seem strange that an ideology proclaiming its support for liberty sees nothing wrong with the alienation and denial of liberty but, in actual fact, it is unsurprising. After all, contract theory is a *"theoretical strategy that justifies subjection by presenting it as freedom"* and has *"turned a subversive proposition [that we are born free and equal] into a defence of civil subjection."* Little wonder, then, that contract *"creates a relation of subordination"* and not of freedom [Carole Pateman, **Op. Cit.**, p. 39 and p. 59] Little wonder, then, that Colin Ward argued that, as an anarchist, he is *"by definition, a socialist"* and that *"[w]orkers' control of industrial production"* is *"the only approach compatible with anarchism."* [**Talking Anarchy**, p. 25 and p. 26]

Ultimately, any attempt to build an ethical framework starting from the abstract individual (as Rothbard does with his *"legitimate rights"* method) will result in domination and oppression between people, **not** freedom. Indeed, Rothbard provides an example of the dangers of idealist philosophy that Bakunin warned about when he argued that while *"[m]aterialism denies free will and ends in the establishment of liberty; idealism, in the name of human dignity, proclaims free will, and on the ruins of every liberty founds authority."* [**God and the State**, p. 48] That this is the case with "anarcho"-capitalism can be seen from Rothbard's wholehearted support for wage labour, landlordism and the rules imposed by property owners on those who use, but do not own, their property. Rothbard, basing himself on abstract individualism, cannot help but justify authority over liberty. This, undoubtedly, flows from the right-liberal and conservative roots of his ideology. Individualist anarchist Shawn Wilbar once defined Wikipedia as *"the most successful modern experiment in promoting obedience to authority as freedom."* However, Wikipedia pales into insignificance compared to the success of liberalism (in its many forms) in doing

> *nism — will have to be physically removed from society, too, if one is to maintain a libertarian order."* [**Democracy: the God that Failed**, p. 218]

Thus the proprietor has power/authority over his tenants and can decree what they can and cannot do, excluding anyone whom they consider as being subversive (in the tenants' own interests, of course). In other words, the autocratic powers of the boss are extended into **all** aspects of society — all under the mask of advocating liberty. Sadly, the preservation of property rights destroys liberty for the many (Hoppe states clearly that for the "anarcho"-capitalist the *"natural outcome of the voluntary transactions between various private property owners is decidedly non-egalitarian, hierarchical and elitist."* [*"The Political Economy of Monarchy and Democracy and the Idea of a Natural Order,"* **Op. Cit.**, p. 118]). Unsurprisingly, Chomsky argued that right-wing "libertarianism" has *"no objection to tyranny as long as it is private tyranny."* In fact it (like other contemporary ideologies) *"reduce[s] to advocacy of one or another form of illegitimate authority, quite often real tyranny."* [**Chomsky on Anarchism**, p. 235 and p. 181] As such, it is hard not to conclude that "anarcho"-capitalism is little more than a play with words. It is not anarchism but a cleverly designed and worded surrogate for elitist, autocratic conservatism. Nor is too difficult to conclude that genuine anarchists and libertarians (of all types) would not be tolerated in this so-called *"libertarian social order."*

Some "anarcho"-capitalists do seem dimly aware of this glaringly obvious contradiction. Rothbard, for example, does present an argument which could be used to solve it, but he utterly fails. He simply ignores the crux of the matter, that capitalism is based on hierarchy and, therefore, cannot be anarchist. He does this by arguing that the hierarchy associated with capitalism is fine as long as the private property that produced it was acquired in a "just" manner. Yet in so doing he yet again

draws attention to the identical authority structures and social relationships of the state and property. As he puts it:

> *"**If** the State may be said to properly **own** its territory, then it is proper for it to make rules for everyone who presumes to live in that area. It can legitimately seize or control private property because there **is** no private property in its area, because it really owns the entire land surface. **So long** as the State permits its subjects to leave its territory, then, it can be said to act as does any other owner who sets down rules for people living on his property."* [**Op. Cit.**, p. 170]

Obviously Rothbard argues that the state does not "justly" own its territory. He asserts that *"our homesteading theory"* of the creation of private property *"suffices to demolish any such pretensions by the State apparatus"* and so the problem with the state is that it *"claims and exercises a compulsory monopoly of defence and ultimate decision-making over an area larger than an individual's justly-acquired property."* [**Op. Cit.**, p. 171 and p. 173] There are four fundamental problems with his argument.

First, it assumes his "homesteading theory" is a robust and libertarian theory, but neither is the case (see section F.4.1). Second, it ignores the history of capitalism. Given that the current distribution of property is just as much the result of violence and coercion as the state, his argument is seriously flawed. It amounts to little more than an ***"immaculate conception of property"*** unrelated to reality. Third, even if we ignore these issues and assume that private property could be and was legitimately produced by the means Rothbard assumes, it does not justify the hierarchy associated with it as current and future generations of humanity have, effectively, been excommunicated from liberty by previous ones. If, as Rothbard argues, property is a natural right and the basis of liberty then why

*labour power is a contract in which, since he cannot be separated from his capacities, he sells command over the use of his body and himself ... To sell command over the use of oneself for a specified period ... is to be an unfree labourer. The characteristics of this condition are captured in the term **wage slave**."* [**The Sexual Contract**, p. 151]

In other words, contracts about property in the person inevitably create subordination. "Anarcho"-capitalism defines this source of unfreedom away, but it still exists and has a major impact on people's liberty. For anarchists freedom is better described as "self-government" or "self-management" — to be able to govern ones own actions (if alone) or to participate in the determination of join activity (if part of a group). Freedom, to put it another way, is not an abstract legal concept, but the vital concrete possibility for every human being to bring to full development all their powers, capacities, and talents which nature has endowed them. A key aspect of this is to govern one own actions when within associations (self-management). If we look at freedom this way, we see that coercion is condemned but so is hierarchy (and so is capitalism for during working hours people are not free to make their own plans and have a say in what affects them. They are order takers, **not** free individuals).

It is because anarchists have recognised the authoritarian nature of capitalist firms that they have opposed wage labour and capitalist property rights along with the state. They have desired to replace institutions structured by subordination with institutions constituted by free relationships (based, in other words, on self-management) in **all** areas of life, including economic organisations. Hence Proudhon's argument that the *"workmen's associations ... are full of hope both as a protest against the wage system, and as an affirmation of **reciprocity**"* and that their importance lies *"in their denial of the rule of capitalists, money lenders and governments."* [**The General Idea of the Revolution**, pp. 98–99]

Or, in other words, right-Libertarianism fails to *"meet the charge that normal operations of the market systematically places an entire class of persons (wage earners) in circumstances that compel them to accept the terms and conditions of labour dictated by those who offer work. While it is true that individuals are formally free to seek better jobs or withhold their labour in the hope of receiving higher wages, in the end their position in the market works against them; they cannot live if they do not find employment. When circumstances regularly bestow a relative disadvantage on one class of persons in their dealings with another class, members of the advantaged class have little need of coercive measures to get what they want."* [Stephen L. Newman, **Liberalism at Wit's End**, p. 130] Eliminating taxation does not end oppression, in other words. As Tolstoy put it:

> *"in Russia serfdom was only abolished when all the land had been appropriated. When land was granted to the peasants, it was burdened with payments which took the place of the land slavery. In Europe, taxes that kept the people in bondage began to be abolished only when the people had lost their land, were unaccustomed to agricultural work, and ... quite dependent on the capitalists ... [They] abolish the taxes that fall on the workers ... only because the majority of the people are already in the hands of the capitalists. One form of slavery is not abolished until another has already replaced it."* [**The Slavery of Our Times**, p. 32]

So Rothbard's argument (as well as being contradictory) misses the point (and the reality of capitalism). Yes, **if** we define freedom as *"the absence of coercion"* then the idea that wage labour does not restrict liberty is unavoidable, but such a definition is useless. This is because it hides structures of power and relations of domination and subordination. As Carole Pateman argues, *"the contract in which the worker allegedly sells his*

should the many be excluded from their birthright by a minority? In other words, Rothbard denies that liberty should be universal. He chooses property over liberty while anarchists choose liberty over property. Fourthly, it implies that the fundamental problem with the state is **not**, as anarchists have continually stressed, its hierarchical and authoritarian nature but rather the fact that it does not justly own the territory it claims to rule.

Even worse, the possibility that private property can result in **more** violations of individual freedom (at least for non-proprietors) than the state of its citizens was implicitly acknowledged by Rothbard. He uses as a hypothetical example a country whose King is threatened by a rising "libertarian" movement. The King responses by *"employ[ing] a cunning stratagem,"* namely he *"proclaims his government to be dissolved, but just before doing so he arbitrarily parcels out the entire land area of his kingdom to the 'ownership' of himself and his relatives."* Rather than taxes, his subjects now pay rent and he can *"regulate the lives of all the people who presume to live on"* his property as he sees fit. Rothbard then asks:

> *"Now what should be the reply of the libertarian rebels to this pert challenge? If they are consistent utilitarians, they must bow to this subterfuge, and resign themselves to living under a regime no less despotic than the one they had been battling for so long. Perhaps, indeed, **more** despotic, for now the king and his relatives can claim for themselves the libertarians' very principle of the absolute right of private property, an absoluteness which they might not have dared to claim before."* [**Op. Cit.**, p. 54]

It should go without saying that Rothbard argues that we should reject this *"cunning stratagem"* as a con as the new distribution of property would not be the result of "just" means.

However, he failed to note how his argument undermines his own claims that capitalism can be libertarian. As he himself argues, not only does the property owner have the same monopoly of power over a given area as the state, it is **more** despotic as it is based on the *"absolute right of private property"*! And remember, Rothbard is arguing **in favour** of "anarcho"-capitalism (*"if you have unbridled capitalism, you will have all kinds of authority: you will have **extreme** authority."* [Chomsky, **Understanding Power**, p. 200]). The fundamental problem is that Rothbard's ideology blinds him to the obvious, namely that the state and private property produce identical social relationships (ironically, he opines the theory that the state owns its territory *"makes the State, as well as the King in the Middle Ages, a feudal overlord, who at least theoretically **owned** all the land in his domain"* without noticing that this makes the capitalist or landlord a King and a feudal overlord within "anarcho"-capitalism. [**Op. Cit.**, p. 171]).

One group of Chinese anarchists pointed out the obvious in 1914. As anarchism *"takes opposition to authority as its essential principle,"* anarchists aim to *"sweep away all the evil systems of present society which have an authoritarian nature"* and so *"our ideal society"* would be *"without landlords, capitalists, leaders, officials, representatives or heads of families."* [quoted by Arif Dirlik, **Anarchism in the Chinese Revolution**, p. 131] Only this, the elimination of all forms of hierarchy (political, economic and social) would achieve genuine anarchism, a society without authority (an-archy). In practice, private property is a major source of oppression and authoritarianism within society — there is little or no freedom subject to a landlord or within capitalist production (as Bakunin noted, *"the worker sells his person and his liberty for a given time"*). In stark contrast to anarchists, "anarcho"-capitalists have no problem with landlords and factory fascism (i.e. wage labour), a position which seems highly illogical for a theory calling itself libertarian. If it were truly libertarian, it would oppose all forms of domination,

> *"When the highway man holds his gun to your head, you turn your valuables over to him. You 'consent' all right, but you do so because you cannot help yourself, because you are **compelled** by his gun.*
>
> *"Are you not **compelled** to work for an employer? Your need compels you just as the highwayman's gun. You must live ... You can't work for yourself ... The factories, machinery, and tools belong to the employing class, so you **must** hire yourself out to that class in order to work and live. Whatever you work at, whoever your employer may be, it always comes to the same: you must work **for him**. You can't help yourself. You are **compelled**."* [**What is Anarchism?**, p. 11]

Due to this class monopoly over the means of life, workers (usually) are at a disadvantage in terms of bargaining power — there are more workers than jobs (see section C.9). Within capitalism there is no equality between owners and the dispossessed, and so property is a source of **power**. To claim that this power should be "left alone" or is "fair" is *"to the anarchists... preposterous. Once a State has been established, and most of the country's capital privatised, the threat of physical force is no longer necessary to coerce workers into accepting jobs, even with low pay and poor conditions. To use [right-"libertarian"] Ayn Rand's term, 'initial force' has **already taken place**, by those who now have capital against those who do not... In other words, if a thief died and willed his 'ill-gotten gain' to his children, would the children have a right to the stolen property? Not legally. So if 'property is theft,' to borrow Proudhon's quip, and the fruit of exploited labour is simply legal theft, then the only factor giving the children of a deceased capitalist a right to inherit the 'booty' is the law, the State. As Bakunin wrote, 'Ghosts should not rule and oppress this world, which belongs only to the living.'"* [Jeff Draughn, **Between Anarchism and Libertarianism**]

at any time she does not really alienate their will (this seems to be his case against slave contracts — see section F.2.2). But this ignores the fact that between the signing and breaking of the contract and during work hours (and perhaps outside work hours, if the boss has mandatory drug testing or will fire workers who attend union or anarchist meetings or those who have an "unnatural" sexuality and so on) the worker **does** alienate his will and body. In the words of Rudolf Rocker, *"under the realities of the capitalist economic form ... there can ... be no talk of a 'right over one's own person,' for that ends when one is compelled to submit to the economic dictation of another if he does not want to starve."* [**Anarcho-Syndicalism**, p. 10]

Ironically, the rights of property (which are said to flow from an individual's self-ownership of themselves) becomes the means, under capitalism, by which self-ownership of non-property owners is denied. The foundational right (self-ownership) becomes denied by the derivative right (ownership of things). *"To treat others and oneself as property,"* argues L. Susan Brown, *"objectifies the human individual, denies the unity of subject and object and is a negation of individual will ... [and] destroys the very freedom one sought in the first place. The liberal belief in property, both real and in the person, leads not to freedom but to relationships of domination and subordination."* [**Op. Cit.**, p. 3] Under capitalism, a lack of property can be just as oppressive as a lack of legal rights because of the relationships of domination and subjection this situation creates. That people "consent" to this hierarchy misses the point. As Alexander Berkman put it:

> *"The law says your employer does not steal anything from you, because it is done with your consent. You have agreed to work for your boss for certain pay, he to have all that you produce ...*
>
> *"But did you really consent?*

not just statism (*"Those who reject authoritarianism will require nobody' permission to breathe. The libertarian ... is not grateful to get permission to reside anywhere on his own planet and denies the right of any one to screen off bits of it for their own use or rule."* [Stuart Christie and Albert Meltzer, **Floodgates of Anarchy**, p. 31]). This illogical and self-contradictory position flows from the "anarcho"-capitalist definition of freedom as the absence of coercion and will be discussed in section F.2 in more detail. The ironic thing is that "anarcho"-capitalists implicitly prove the anarchist critique of their own ideology.

Of course, the "anarcho"-capitalist has another means to avoid the obvious, namely the assertion that the market will limit the abuses of the property owners. If workers do not like their ruler then they can seek another. Thus capitalist hierarchy is fine as workers and tenants "consent" to it. While the logic is obviously the same, it is doubtful that an "anarcho"-capitalist would support the state just because its subjects can leave and join another one. As such, this does not address the core issue — the authoritarian nature of capitalist property (see section A.2.14). Moreover, this argument completely ignores the reality of economic and social power. Thus the "consent" argument fails because it ignores the social circumstances of capitalism which limit the choice of the many.

Anarchists have long argued that, as a class, workers have little choice but to "consent" to capitalist hierarchy. The alternative is either dire poverty or starvation. "Anarcho"-capitalists dismiss such claims by denying that there is such a thing as economic power. Rather, it is simply freedom of contract. Anarchists consider such claims as a joke. To show why, we need only quote (yet again) Rothbard on the abolition of slavery and serfdom in the 19th century. He argued, correctly, that the *"**bodies** of the oppressed were freed, but the property which they had worked and eminently deserved to own, remained in the hands of their former oppressors. With economic power thus remaining in their hands, the former lords soon found themselves virtual*

masters once more of what were now free tenants or farm labourers. The serfs and slaves had tasted freedom, but had been cruelly derived of its fruits." [**Op. Cit.**, p. 74]

To say the least, anarchists fail to see the logic in this position. Contrast this with the standard "anarcho"-capitalist claim that if market forces ("voluntary exchanges") result in the creation of *"tenants or farm labourers"* then they are free. Yet labourers dispossessed by market forces are in exactly the same social and economic situation as the ex-serfs and ex-slaves. If the latter do not have the fruits of freedom, neither do the former. Rothbard sees the obvious *"economic power"* in the latter case, but denies it in the former (ironically, Rothbard dismissed economic power under capitalism in the same work. [**Op. Cit.**, pp. 221–2]). It is only Rothbard's ideology that stops him from drawing the obvious conclusion — identical economic conditions produce identical social relationships and so capitalism is marked by *"economic power"* and *"virtual masters."* The only solution is for "anarcho"-capitalist to simply say that the ex-serfs and ex-slaves were actually free to choose and, consequently, Rothbard was wrong. It might be inhuman, but at least it would be consistent!

Rothbard's perspective is alien to anarchism. For example, as individualist anarchist William Bailie noted, under capitalism there is a class system marked by *"a dependent industrial class of wage-workers"* and *"a privileged class of wealth-monopolisers, each becoming more and more distinct from the other as capitalism advances."* This has turned property into *"a social power, an economic force destructive of rights, a fertile source of injustice, a means of enslaving the dispossessed."* He concluded: *"Under this system equal liberty cannot obtain."* Bailie notes that the modern *"industrial world under capitalistic conditions"* have *"arisen under the **regime** of status"* (and so *"law-made privileges"*) however, it seems unlikely that he would have concluded that such a class system would be fine if it had developed naturally or the current state was abolished while leaving that class structure

free by the ideology. This concept of liberty is usually termed "self-ownership." But, to state the obvious, I do not "own" myself, as if were an object somehow separable from my subjectivity — I **am** myself (see section B.4.2). However, the concept of "self-ownership" is handy for justifying various forms of domination and oppression — for by agreeing (usually under the force of circumstances, we must note) to certain contracts, an individual can "sell" (or rent out) themselves to others (for example, when workers sell their labour power to capitalists on the "free market"). In effect, "self-ownership" becomes the means of justifying treating people as objects — ironically, the very thing the concept was created to stop! As anarchist L. Susan Brown notes, *"[a]t the moment an individual 'sells' labour power to another, he/she loses self-determination and instead is treated as a subjectless instrument for the fulfilment of another's will."* [**The Politics of Individualism**, p. 4]

Given that workers are paid to obey, you really have to wonder which planet Murray Rothbard was on when he argued that a person's *"labour service is alienable, but his **will** is not"* and that he *"cannot alienate his **will**, more particularly his control over his own mind and body."* He contrasts private property and self-ownership by arguing that *"[a]ll physical property owned by a person is alienable ... I can give away or sell to another person my shoes, my house, my car, my money, etc. But there are certain vital things which, in natural fact and in the nature of man, are **in**alienable ... [his] will and control over his own person are inalienable."* [**The Ethics of Liberty**, p. 40, p. 135 and pp. 134–5] Yet *"labour services"* are unlike the private possessions Rothbard lists as being alienable. As we argued in section B.1 a person's *"labour services"* and *"will"* cannot be divided — if you sell your labour services, you also have to give control of your body and mind to another person. If a worker does not obey the commands of her employer, she is fired. That Rothbard denied this indicates a total lack of common-sense. Perhaps Rothbard would have argued that as the worker can quit

invaded, are not aggressed against... Freedom and unrestricted property rights go hand in hand." [**Op. Cit.**, p.41]

This definition has some problems, however. In such a society, one cannot (legitimately) do anything with or on another's property if the owner prohibits it. This means that an individual's only **guaranteed** freedom is determined by the amount of property that he or she owns. This has the consequence that someone with no property has no guaranteed freedom at all (beyond, of course, the freedom not to be murdered or otherwise harmed by the deliberate acts of others). In other words, a distribution of property is a distribution of freedom, as the right-"libertarians" themselves define it. It strikes anarchists as strange that an ideology that claims to be committed to promoting freedom entails the conclusion that some people should be more free than others. Yet this is the logical implication of their view, which raises a serious doubt as to whether "anarcho"-capitalists are actually interested in freedom at all.

Looking at Rothbard's definition of "liberty" quoted above, we can see that freedom is actually no longer considered to be a fundamental, independent concept. Instead, freedom is a derivative of something more fundamental, namely the *"legitimate rights"* of an individual, which are identified as property rights. In other words, given that "anarcho"-capitalists and right-"libertarians" in general consider the right to property as "absolute," it follows that freedom and property become one and the same. This suggests an alternative name for the right Libertarian, namely ***"Propertarian."*** And, needless to say, if we do not accept the right-libertarians' view of what constitutes "legitimate rights," then their claim to be defenders of liberty is weak.

Another important implication of this "liberty as property" concept is that it produces a strangely alienated concept of freedom. Liberty, as we noted, is no longer considered absolute, but a derivative of property — which has the important consequence that you can "sell" your liberty and still be considered

ture intact. [**The Individualist Anarchists**, p. 121] As we discuss in section G.4, Individualist Anarchists like Tucker and Yarrows ended up recognising that even the freest competition had become powerless against the enormous concentrations of wealth associated with corporate capitalism.

Therefore anarchists recognise that "free exchange" or "consent" in unequal circumstances will reduce freedom as well as increasing inequality between individuals and classes. As we discuss in section F.3, inequality will produce social relationships which are based on hierarchy and domination, **not** freedom. As Noam Chomsky put it:

> *"Anarcho-capitalism, in my opinion, is a doctrinal system which, if ever implemented, would lead to forms of tyranny and oppression that have few counterparts in human history. There isn't the slightest possibility that its (in my view, horrendous) ideas would be implemented, because they would quickly destroy any society that made this colossal error. The idea of 'free contract' between the potentate and his starving subject is a sick joke, perhaps worth some moments in an academic seminar exploring the consequences of (in my view, absurd) ideas, but nowhere else."* [**Noam Chomsky on Anarchism**, interview with Tom Lane, December 23, 1996]

Clearly, then, by its own arguments "anarcho"-capitalism is not anarchist. This should come as no surprise to anarchists. Anarchism, as a political theory, was born when Proudhon wrote **What is Property?** specifically to refute the notion that workers are free when capitalist property forces them to seek employment by landlords and capitalists. He was well aware that in such circumstances property *"violates equality by the rights of exclusion and increase, and freedom by despotism ... [and has] perfect identity with robbery."* He, unsurprisingly,

talks of the *"proprietor, to whom [the worker] has sold and surrendered his liberty."* For Proudhon, anarchy was *"the absence of a master, of a sovereign"* while *"proprietor"* was *"synonymous"* with *"sovereign"* for he *"imposes his will as law, and suffers neither contradiction nor control."* This meant that *"property engenders despotism,"* as *"each proprietor is sovereign lord within the sphere of his property."* [**What is Property**, p. 251, p. 130, p. 264 and pp. 266–7] It must also be stressed that Proudhon's classic work is a lengthy critique of the kind of apologetics for private property Rothbard espouses to salvage his ideology from its obvious contradictions.

So, ironically, Rothbard repeats the same analysis as Proudhon but draws the **opposite** conclusions and expects to be considered an anarchist! Moreover, it seems equally ironic that "anarcho"-capitalism calls itself "anarchist" while basing itself on the arguments that anarchism was created in opposition to. As shown, "anarcho"-capitalism makes as much sense as "anarcho-statism" — an oxymoron, a contradiction in terms. The idea that "anarcho"-capitalism warrants the name "anarchist" is simply false. Only someone ignorant of anarchism could maintain such a thing. While you expect anarchist theory to show this to be the case, the wonderful thing is that "anarcho"-capitalism itself does the same.

Little wonder Bob Black argues that *"[t]o demonise state authoritarianism while ignoring identical albeit contract-consecrated subservient arrangements in the large-scale corporations which control the world economy is fetishism at its worst."* [*"The Libertarian As Conservative"*, **The Abolition of Work and Other Essays**, pp. 142] Left-liberal Stephen L. Newman makes the same point:

> *"The emphasis [right-wing] libertarians place on the opposition of liberty and political power tends to obscure the role of authority in their worldview … the authority exercised in private relationships,*

F.2 What do "anarcho"-capitalists mean by freedom?

For "anarcho"-capitalists, the concept of freedom is limited to the idea of *"freedom from."* For them, freedom means simply freedom from the *"initiation of force,"* or the *"non-aggression against anyone's person and property."* [Murray Rothbard, **For a New Liberty**, p. 23] The notion that real freedom must combine both freedom *"to"* **and** freedom *"from"* is missing in their ideology, as is the social context of the so-called freedom they defend.

Before continuing, it is useful to quote Alan Haworth when he notes that *"[i]n fact, it is surprising how **little** close attention the concept of freedom receives from libertarian writers. Once again **Anarchy, State, and Utopia** is a case in point. The word 'freedom' doesn't even appear in the index. The word 'liberty' appears, but only to refer the reader to the 'Wilt Chamberlain' passage. In a supposedly 'libertarian' work, this is more than surprising. It is truly remarkable."* [**Anti-Libertarianism**, p. 95] Why this is the case can be seen from how the right-"libertarian" defines freedom.

In right-"libertarian" and "anarcho"-capitalist ideology, freedom is considered to be a product of property. As Murray Rothbard puts it, *"the libertarian defines the concept of 'freedom' or 'liberty'…[as a] condition in which a person's ownership rights in his body and his legitimate material property rights are not*

itly (or implicitly, for that matter) call for economic arrangements that will end wage labour and usury it cannot be considered anarchist or part of the anarchist tradition. While anarchists have always opposed capitalism, "anarcho"-capitalists have embraced it and due to this embrace their "anarchy" will be marked by relationships based upon subordination and hierarchy (such as wage labour), **not** freedom (little wonder that Proudhon argued that *"property is despotism"* — it creates authoritarian and hierarchical relationships between people in a similar way to statism). Their support for "free market" capitalism ignores the impact of wealth and power on the nature and outcome of individual decisions within the market (see sections F.2 and F.3 for further discussion). Furthermore, any such system of (economic and social) power will require extensive force to maintain it and the "anarcho"-capitalist system of competing "defence firms" will simply be a new state, enforcing capitalist power, property rights and law.

Thus the "anarcho"-capitalist and the anarchist have different starting positions and opposite ends in mind. Their claims to being anarchists are bogus simply because they reject so much of the anarchist tradition as to make what little they do pay lip-service to non-anarchist in theory and practice. Little wonder Peter Marshall said that *"few anarchists would accept the 'anarcho-capitalists' into the anarchist camp since they do not share a concern for economic equality and social justice."* As such, "anarcho"-capitalists, *"even if they do reject the State, might therefore best be called right-wing libertarians rather than anarchists."* [**Demanding the Impossible**, p. 565]

> *however — in the relationship between employer and employee, for instance — meets with no objection... [This] reveals a curious insensitivity to the use of private authority as a means of social control. Comparing public and private authority, we might well ask of the [right-wing] libertarians: When the price of exercising one's freedom is terribly high, what practical difference is there between the commands of the state and those issued by one's employer? ... Though admittedly the circumstances are not identical, telling disgruntled empowers that they are always free to leave their jobs seems no different in principle from telling political dissidents that they are free to emigrate."* [**Liberalism at Wit's End**, pp. 45–46]

As Bob Black pointed out, right libertarians argue that *"'one can at least change jobs.' But you can't avoid having a job — just as under statism one can at least change nationalities but you can't avoid subjection to one nation-state or another. But freedom means more than the right to change masters."* [**Op. Cit.**, p. 147] The similarities between capitalism and statism are clear — and so why "anarcho"-capitalism cannot be anarchist. To reject the authority (the *"ultimate decision-making power"*) of the state and embrace that of the property owner indicates not only a highly illogical stance but one at odds with the basic principles of anarchism. This whole-hearted support for wage labour and capitalist property rights indicates that "anarcho"-capitalists are not anarchists because they do not reject all forms of **archy**. They obviously support the hierarchy between boss and worker (wage labour) and landlord and tenant. Anarchism, by definition, is against all forms of archy, including the hierarchy generated by capitalist property. To ignore the obvious archy associated with capitalist property is highly illogical and trying to dismiss one form of domination as flowing from

"just" property while attacking the other because it flows from "unjust" property is not seeing the wood for the trees.

In addition, we must note that such inequalities in power and wealth will need "defending" from those subject to them ("anarcho"-capitalists recognise the need for private police and courts to defend property from theft — and, anarchists add, to defend the theft and despotism associated with property!). Due to its support of private property (and thus authority), "anarcho"-capitalism ends up retaining a state in its "anarchy": namely a **private** state whose existence its proponents attempt to deny simply by refusing to call it a state, like an ostrich hiding its head in the sand. As one anarchist so rightly put it, "anarcho"-capitalists *"simply replaced the state with private security firms, and can hardly be described as anarchists as the term is normally understood."* [Brian Morris, *"Global Anti-Capitalism"*, pp. 170–6, **Anarchist Studies**, vol. 14, no. 2, p. 175] As we discuss more fully in section F.6 this is why "anarcho"-capitalism is better described as "private state" capitalism as there would be a functional equivalent of the state and it would be just as skewed in favour of the propertied elite as the existing one (if not more so). As Albert Meltzer put it:

> *"Commonsense shows that any capitalist society might dispense with a 'State' ... but it could not dispense with organised government, or a privatised form of it, if there were people amassing money and others working to amass it for them. The philosophy of 'anarcho-capitalism' dreamed up by the 'libertarian' New Right, has nothing to do with Anarchism as known by the Anarchist movement proper. It is a lie ... Patently unbridled capitalism ... needs some force at its disposal to maintain class privileges, either from the State itself or from private armies. What they believe in is in fact a limited State — that is, one in which the State has one function, to protect the ruling class, does not interfere with exploitation, and comes as cheap as possible for the ruling class. The idea also serves another purpose ... a moral justification for bourgeois consciences in avoiding taxes without feeling guilty about it."* [**Anarchism: Arguments For and Against**, p. 50]

For anarchists, this need of capitalism for some kind of state is unsurprising. For *"Anarchy without socialism seems equally as impossible to us [as socialism without anarchy], for in such a case it could not be other than the domination of the strongest, and would therefore set in motion right away the organisation and consolidation of this domination; that is to the constitution of government."* [Errico Malatesta, **Errico Malatesta: His Life and Ideas**, p. 148] Because of this, the "anarcho"-capitalist rejection of the anarchist critique of capitalism and our arguments on the need for equality, they cannot be considered anarchists or part of the anarchist tradition. To anarchists it seems bizarre that "anarcho"-capitalists want to get rid of the state but maintain the system it helped create and its function as a defender of the capitalist class's property and property rights. In other words, to reduce the state purely to its function as (to use Malatesta's apt word) the gendarme of the capitalist class is ***not*** an anarchist goal.

Thus anarchism is far more than the common dictionary definition of "no government" — it also entails being against all forms of **archy**, including those generated by capitalist property. This is clear from the roots of the word "anarchy." As we noted in section A.1, the word anarchy means "no rulers" or "contrary to authority." As Rothbard himself acknowledges, the property owner is the ruler of their property and, therefore, those who use it. For this reason "anarcho"-capitalism cannot be considered as a form of anarchism — a real anarchist must logically oppose the authority of the property owner along with that of the state. As "anarcho"-capitalism does not explic-

Ironically, some "anarcho"-capitalists (like David Friedman) have pointed to company/union negotiations as an example of how different defence firms would work out their differences peacefully. Sadly for this argument, union rights under "actually existing capitalism" were hard fought for, often resulting in strikes which quickly became mini-wars as the capitalists used the full might associated with their wealth to stop them getting a foothold or to destroy them if they had. In America the bosses usually had recourse to private defence firms like the Pinkertons to break unions and strikes. Since 1935 in America, union rights have been protected by the state in direct opposition to capitalist "freedom of contract." Before the law was changed (under pressure from below, in the face of business opposition and violence), unions were usually crushed by force — the companies were better armed, had more resources and had the law on their side (Rothbard showed his grasp of American labour history by asserting that union *"restrictions and strikes"* were the *"result of government privilege, notably in the Wagner Act of 1935."* [**The Logic of Action II**, p. 194]). Since the 1980s and the advent of the free(r) market, we can see what happens to "peaceful negotiation" and "co-operation" between unions and companies when it is no longer required and when the resources of both sides are unequal. The market power of companies far exceeds those of the unions and the law, by definition, favours the companies. As an example of how competing "protection agencies" will work in an "anarcho"-capitalist society, it is far more insightful than originally intended!

Now let us consider Rothbard's *"basic law code"* itself. For Rothbard, the laws in the *"general libertarian law code"* would be unchangeable, selected by those considered as "the voice of nature" (with obvious authoritarian implications). David Friedman, in contrast, argues that as well as a market in defence companies, there will also be a market in laws and rights. However, there will be extensive market pressure to unify these differing law codes into one standard one (imagine what would

> *relevant combination of attributes may be ... One might suppose that some mixture of avarice, selfishness, lack of concern for others, aggressiveness, and similar characteristics play a part in getting ahead and 'making it' in a competitive society based on capitalist principles... Whatever the correct collection of attributes may be, we may ask what follows from the fact, if it is a fact, that some partially inherited combination of attributes tends to material success? All that follows ... is a comment on our particular social and economic arrangements ... The egalitarian might respond, in all such cases, that the social order should be changed so that the collection of attributes that tends to bring success no longer do so. He might even argue that in a more decent society, the attributes that now lead to success would be recognised as pathological, and that gentle persuasion might be a proper means to help people to overcome their unfortunate malady."* [**The Chomsky Reader**, p. 190]

So if we change society then the social inequalities we see today would disappear. It is more than probable that natural difference has been long ago been replaced with **social** inequalities, especially inequalities of property. And as we argue in section F.8 these inequalities of property were initially the result of force, **not** differences in ability. Thus to claim that social inequality flows from natural differences is false as most social inequality has flown from violence and force. This initial inequality has been magnified by the framework of capitalist property rights and so the inequality within capitalism is far more dependent upon, say, the existence of wage labour rather than "natural" differences between individuals.

This can be seen from existing society: we see that in workplaces and across industries many, if not most, unique individ-

uals receive identical wages for identical work (although this often is not the case for women and blacks, who receive less wages than male, white workers for identical labour). Similarly, capitalists have deliberately introduced wage inequalities and hierarchies for no other reason that to divide and so rule the workforce (see section D.10). Thus, if we assume egalitarianism **is** a revolt against nature, then much of capitalist economic life is in such a revolt and when it is not, the "natural" inequalities have usually been imposed artificially by those in power either within the workplace or in society as a whole by means of state intervention, property laws and authoritarian social structures. Moreover, as we indicated in section C.2.5, anarchists have been aware of the ***collective*** nature of production within capitalism since Proudhon wrote **What is Property?** in 1840. Rothbard ignores both the anarchist tradition and reality when he stresses that individual differences produce inequalities of outcome. As an economist with a firmer grasp of the real world put it, the *"notion that wages depend on personal skill, as expressed in the value of output, makes no sense in any organisation where production is interdependent and joint — which is to say it makes no sense in virtually any organisation."* [James K. Galbraith, **Created Unequal**, p. 263]

Thus "natural" differences do not necessarily result in inequality as such nor do such differences have much meaning in an economy marked by joint production. Given a different social system, "natural" differences would be encouraged and celebrated far wider than they are under capitalism (where hierarchy ensures the crushing of individuality rather than its encouragement) without any reduction in social equality. At its most basic, the elimination of hierarchy within the workplace would not only increase freedom but also reduce inequality as the few would not be able to monopolise the decision making process and the fruit of joint productive activity. So the claim that "natural" differences generate social inequalities is question begging in the extreme — it takes the rights framework

capitalists so rightly point out, conflict and violence will push up a company's costs and so they would have to be avoided by smaller ones (it is ironic that the "anarcho"-capitalist implicitly assumes that every "defence company" is approximately of the same size, with the same resources behind it and in real life this would clearly **not** the case). Moreover, it seems likely that a Legal-Industrial complex would develop, with other companies buying shares in "defence" firms as well as companies which provide lawyers and judges (and vice versa). We would also expect mergers to develop as well as cross-ownership between companies, not to mention individual judges and security company owners and managers having shares in other capitalist firms. Even if the possibility that the companies providing security and "justice" have links with other capitalism firms is discounted then the fact remains that these firms would hardly be sympathetic to organisations and individuals seeking to change the system which makes them rich or, as property owners and bosses, seeking to challenge the powers associated with both particularly if the law is designed from a propertarian perspective.

Fourthly, it is **very** likely that many companies would make subscription to a specific "defence" firm or court a requirement of employment and residence. Just as today many (most?) workers have to sign no-union contracts (and face being fired if they change their minds), it does not take much imagination to see that the same could apply to "defence" firms and courts. This was/is the case in company towns (indeed, you can consider unions as a form of "defence" firm and these companies refused to recognise them). As the labour market is almost always a buyer's market, it is not enough to argue that workers can find a new job without this condition. They may not and so have to put up with this situation. And if (as seems likely) the laws and rules of the property-owner will take precedence in any conflict, then workers and tenants will be at a disadvantage no matter how "impartial" the judges.

in a system based on "unrestricted" property rights and a (capitalist) free market.

Some "anarcho"-capitalists, however, claim that just as cheaper cars were developed to meet demand, so cheaper defence associations and "people's arbitrators" would develop on the market for the working class. In this way impartiality will be ensured. This argument overlooks a few key points.

Firstly, the general "libertarian" law code would be applicable to **all** associations, so they would have to operate within a system determined by the power of money and of capital. The law code would reflect, therefore, property **not** labour and so "socialistic" law codes would be classed as "outlaw" ones. The options then facing working people is to select a firm which best enforced the **capitalist** law in their favour. And as noted above, the impartial enforcement of a biased law code will hardly ensure freedom or justice for all. This means that saying the possibility of competition from another judge would keep them honest becomes meaningless when they are all implementing the **same** capitalist law!

Secondly, in a race between a Jaguar and a Volkswagen Beetle, who is more likely to win? The rich would have "the best justice money can buy," even more than they do now. Members of the capitalist class would be able to select the firms with the best lawyers, best private cops and most resources. Those without the financial clout to purchase quality "justice" would simply be out of luck — such is the "magic" of the marketplace.

Thirdly, because of the tendency toward concentration, centralisation, and oligopoly under capitalism (due to increasing capital costs for new firms entering the market, as discussed in section C.4), a few companies would soon dominate the market — with obvious implications for "justice." Different firms will have different resources and in a conflict between a small firm and a larger one, the smaller one is at a disadvantage. They may not be in a position to fight the larger company if it rejects arbitration and so may give in simply because, as the "anarcho"-

of capitalism as a given and ignores the initial source of inequality in property and power. Indeed, inequality of outcome or reward is more likely to be influenced by social conditions rather than individual differences (as would be expected in a society based on wage labour or other forms of exploitation).

Rothbard is at pains to portray egalitarians as driven by envy of the rich. It is hard to credit "envy" as the driving force of the likes of Bakunin and Kropotkin who left the life of wealthy aristocrats to become anarchists, who suffered imprisonment in their struggles for liberty for all rather than an elite. When this is pointed out, the typical right-wing response is to say that this shows that **real** working class people are not socialists. In other words if you are a working class anarchist then you are driven by envy and if not, if you reject your class background, then you show that socialism is not a working class movement! So driven by this assumption and hatred for socialism Rothbard went so far as to distort Karl Marx's words to fit it into his own ideological position. He stated that *"Marx concedes the truth of the charge of anti-communists then and now"* that communism was the expression of envy and a desire to reduce all to a common level. Except, of course, Marx did nothing of the kind. In the passages Rothbard presented as evidence for his claims, Marx is critiquing what he termed "crude" communism (the *"this type of communism"* in the passage Rothbard quoted but clearly did not understand) and it is, therefore, not surprising Marx *"clearly did not stress this dark side of communist revolution in the his later writings"* as he explicitly **rejected** this type of communism! For Rothbard, all types of socialism seem to be identical and identified with central planning — hence his bizarre comment that *"Stalin established socialism in the Soviet Union."* [**The Logic of Action II**, pp. 394–5 and p. 200]

Another reason for "anarcho"-capitalist lack of concern for equality is that they think that (to use Robert Nozick's expression) *"liberty upsets patterns"*. It is argued that equality (or any *"end-state principle of justice"*) cannot be *"continuously realised*

without continuous interference with people's lives," i.e. can only be maintained by restricting individual freedom to make exchanges or by taxation of income. [**Anarchy, State, and Utopia**, pp. 160–3] However, what this argument fails to acknowledge is that inequality also restricts individual freedom and that the capitalist property rights framework is not the only one possible. After all, money is power and inequalities in terms of power easily result in restrictions of liberty and the transformation of the majority into order takers rather than free producers. In other words, once a certain level of inequality is reached property does not promote, but actually conflicts with, the ends which render private property legitimate. As we argue in the next section, inequality can easily led to the situation where self-ownership is used to justify its own negation and so unrestricted property rights will undermine the meaningful self-determination which many people intuitively understand by the term "self-ownership" (i.e., what anarchists would usually call "freedom" rather than self-ownership). Thus private property itself leads to continuous interference with people's lives, as does the enforcement of Nozick's "just" distribution of property and the power that flows from such inequality. Moreover, as many critics have noted Nozick's argument assumes what it sets out to proves. As one put it, while Nozick may *"wish to defend capitalist private property rights by insisting that these are founded in basic liberties,"* in fact he *"has produced ... an argument for unrestricted private property using unrestricted private property, and thus he begs the question he tries to answer."* [Andrew Kerhohan, *"Capitalism and Self-Ownership"*, pp. 60–76, **Capitalism**, Ellen Frankel Paul, Fred D. Miler, Jr, Jeffrey Paul and John Ahrens (eds.), p. 71]

So in response to the claim that equality could only be maintained by continuously interfering with people's lives, anarchists would say that the inequalities produced by capitalist property rights also involve extensive and continuous interference with people's lives. After all, as Bob Black notes *"it is ap-*

In other words, as well as privatising the commons in land he also seeks to privatise "common law." This will be expropriated from the general population and turned over to wealthy judges and libertarian scholars to "correct" as they see fit. Within this mandatory legal regime, there would be "voluntary" interpretations yet it hardly taxes the imagination to see how economic inequality would shape any "bargains" made on it. So we have a legal system created and run by judges and jurists within which specific interpretations would be reached by "bargains" conducted between the rich and the poor. A fine liberation indeed!

So although only *"finding"* the law, the arbitrators and judges still exert an influence in the "justice" process, an influence not impartial or neutral. As the arbitrators themselves would be part of a profession, with specific companies developing within the market, it does not take a genius to realise that when *"interpreting"* the *"basic law code,"* such companies would hardly act against their own interests as companies. As we noted in section F.3.2, the basic class interest of keeping the current property rights system going will still remain — a situation which wealthy judges would be, to say the least, happy to see continue. In addition, if the "justice" system was based on "one dollar, one vote," the "law" would best defend those with the most "votes" (the question of market forces will be discussed in section F.6.3). Moreover, even if "market forces" would ensure that "impartial" judges were dominant, all judges would be enforcing a **very** partial law code (namely one that defended **capitalist** property rights). Impartiality when enforcing partial laws hardly makes judgements less unfair.

Thus, due to these three pressures — the interests of arbitrators/judges, the influence of money and the nature of the law — the terms of "free agreements" under such a law system would be tilted in favour of lenders over debtors, landlords over tenants, employers over employees, and in general, the rich over the poor just as we have today. This is what one would expect

i.e. those of the same class as the politicians, lawyers, jurists and judges (see section F.8 for more details). We can imagine the results of similar "correcting" of common law by those deemed worthy by Rothbard and his followers of representing both "man" and "natural law."

Given these obvious points, it should come as no surprise that Rothbard solves this problem by explicitly excluding the general population from deciding which laws they will be subject to. As he put it, *"it would not be a very difficult task for Libertarian lawyers and jurists to arrive at a rational and objective code of libertarian legal principles and procedures ... This code would then be followed and applied to specific cases by privately-competitive and free-market courts and judges, all of whom would be pledged to abide by the code."* [*"The Spooner-Tucker Doctrine: An Economist's View"*, pp. 5–15, **Journal of Libertarian Studies**, Vol. 20, No. 1, p. 7] By jurist Rothbard means a professional or an expert who studies, develops, applies or otherwise deals with the law, i.e. a lawyer or a judge. That is, law-making by privately-competitive judges and lawyers. And not only would the law be designed by experts, so would its interpretation:

> *"If legislation is replaced by such judge-made law fixity and certainty ... will replace the capriciously changing edicts of statutory legislation. The body of judge-made law changes very slowly ... decisions properly apply only to the particular case, judge-made law — in contrast to legislation — permits a vast body of voluntary, freely-adapted rules, bargains, and arbitrations to proliferate as needed in society. The twin of the free market economy, then, is ... a proliferation of voluntary rules interpreted and applied by experts in the law."* [*"On Freedom and the Law"*, **Op. Cit.** p. 38]

*parent that the source of greatest direct duress experienced by the ordinary adult is **not** the state but rather the business that employs him [or her]. Your foreman or supervisor gives you more or-else orders in a week than the police do in a decade."* [*"The Libertarian As Conservative"*, **The Abolition of Work and Other Essays**, p. 145] For example, a worker employed by a capitalist cannot freely exchange the machines or raw materials they have been provided with to use but Nozick does not class this distribution of "restricted" property rights as infringing liberty (nor does he argue that wage slavery itself restricts freedom, of course). Thus claims that equality involves infringing liberty ignores the fact that inequality also infringes liberty (never mind the significant negative effects of inequality, both of wealth and power, we discussed in section B.1). A reorganisation of society could effectively minimise inequalities by eliminating the major source of such inequalities (wage labour) by self-management. We have no desire to restrict free exchanges (after all, most anarchists desire to see the "gift economy" become a reality sooner or later) but we argue that free exchanges need not involve the unrestricted capitalist property rights Nozick assumes (see section I.5.12 for a discussion of "capitalistic acts" within an anarchist society).

Rothbard, ironically, is aware of the fact that inequality restricts freedom for the many. As he put it *"inequality of control"* is an *"inevitable corollary of freedom"* for in any organisation *"there will always be a minority of people who will rise to the position of leaders and others who will remain as followers in the rank and file."* [**Op. Cit.**, p. 30] To requote Bob Black: *"Some people giving orders and others obeying them: this is the essence of servitude."* [**Op. Cit.**, p. 147] Perhaps if Rothbard had spent some time in a workplace rather than in a tenured academic post he may have realised that bosses are rarely the natural elite he thought they were. Like the factory owner Engels, he was blissfully unaware that it is the self-activity of the non-"elite" on the shop floor (the product of which the boss monopolises) that

keeps the whole hierarchical structure going (as we discuss in section H.4.4, the work to rule — were workers do **exactly** what the boss orders them to do — is a devastating weapon in the class struggle). It does seem somewhat ironic that the anti-Marxist Rothbard should has recourse to the same argument as Engels in order to refute the anarchist case for freedom within association! It should also be mentioned that Black has also recognised this, noting that right-"libertarianism" and mainstream Marxism *"are as different as Coke and Pepsi when it comes to consecrating class society and the source of its power, work. Only upon the firm foundation of factory fascism and office oligarchy do libertarians and Leninists dare to debate the trivial issues dividing them."* [**Op. Cit.**, p. 146]

So, as Rothbard admits, inequality produces a **class** system and authoritarian social relationships which are rooted in ownership and control of private property. These produce specific areas of conflict over liberty, a fact of life which Rothbard (like other "anarcho"-capitalists) is keen to deny as we discuss in section F.3.2. Thus, for anarchists, the "anarcho"-capitalist opposition to equality misses the point and is extremely question begging. Anarchists do not desire to make people "identical" (which would be impossible and a total denial of liberty **and** equality) but to make the social relationships between individuals equal in **power**. In other words, they desire a situation where people interact together without institutionalised power or hierarchy and are influenced by each other "naturally," in proportion to how the (individual) **differences** between (social) **equals** are applicable in a given context. To quote Michael Bakunin, *"[t]he greatest intelligence would not be equal to a comprehension of the whole. Thence results ... the necessity of the division and association of labour. I receive and I give — such is human life. Each directs and is directed in his turn. Therefore there is no fixed and constant authority, but a continual exchange of mutual, temporary, and, above all, voluntary authority and subordination."* [**God and the State**, p. 33]

would defend: their own as well as those who pay their wages — which is to say, other members of the rich elite. As the law exists to defend property, then it (by definition) exists to defend the power of capitalists against their workers. Rothbard argued that the *"judges"* would *"not [be] making the law but finding it on the basis of agreed-upon principles derived either from custom or reason."* [**Society without a State**, p. 206] However, this begs the question: **whose** reason? **whose** customs? Do individuals in different classes share the same customs? The same ideas of right and wrong? Would rich and poor desire the same from a *"basic law code"*? Obviously not. The rich would only support a code which defended their power over the poor.

Rothbard does not address this issue. He stated that "anarcho"-capitalism would involve *"taking the largely libertarian common law, and correcting it by the use of man's reason, before enshrining it as a permanently fixed libertarian law code."* [*"On Freedom and the Law"*, **New Individualist Review**, Winter 1962, p. 40] Needless to say, *"man"* does not exist — it is an abstraction (and a distinctly collectivist one, we should note). There are only individual men and women and so individuals and **their** reason. By *"man's reason"* Rothbard meant, at best, the prejudices of those individuals with whom he agreed with or, at worse, his own value judgements. Needless to say, what is considered acceptable will vary from individual to individual and reflect their social position. Similarly, as Kropotkin stressed, "common law" does not develop in isolation of class struggles and so is a mishmash of customs genuinely required by social life and influences imposed by elites by means of state action. [**Anarchism**, pp. 204–6] This implies what should be *"corrected"* from the "common law" will also differ based on their class position and their general concepts of what is right and wrong. History is full of examples of lawyers, jurists and judges (not to mention states) *"correcting"* common law and social custom in favour of a propertarian perspective which, by strange co-incidence, favoured the capitalists and landlords,

efficiency and impartiality." [**Op. Cit.**, p. 199 and p. 204] Therefore, like any other company, arbitrators would strive for profits with the most successful ones would *"prosper"*, i.e. become wealthy. Such wealth would, of course, have no impact on the decisions of the judges, and if it did, the population (in theory) are free to select any other judge. Of course, the competing judges would **also** be striving for profits and wealth — which means the choice of character may be somewhat limited! — and the laws which they were using to guide their judgements would be enforcing capitalist rights.

Whether or not this system would work as desired is discussed in the following sections. We think that it will not. Moreover, we will argue that "anarcho"-capitalist "defence companies" meet not only the criteria of statehood we outlined in section B.2, but also Rothbard's own criteria for the state. As regards the anarchist criterion, it is clear that "defence companies" exist to defend private property; that they are hierarchical (in that they are capitalist companies which defend the power of those who employ them); that they are professional coercive bodies; and that they exercise a monopoly of force over a given area (the area, initially, being the property of the person or company who is employing the company). Not only that, as we discuss in section F.6.4 these "defence companies" also matches the right-libertarian and "anarcho"-capitalist definition of the state. For this (and other reasons), we should call the "anarcho"-capitalist defence firms "private states" — that is what they are — and "anarcho"-capitalism "private state" capitalism.

F.6.1 What's wrong with this "free market" justice?

It does not take much imagination to figure out whose interests prosperous arbitrators, judges and defence companies

Such an environment can only exist within self-managed associations, for capitalism (i.e. wage labour) creates very specific relations and institutions of authority. It is for this reason anarchists are socialists. In other words, anarchists support equality precisely **because** we recognise that everyone is unique. If we are serious about "equality of rights" or "equal freedom" then conditions must be such that people can enjoy these rights and liberties. If we assume the right to develop one's capacities to the fullest, for example, then inequality of resources and so power within society destroys that right simply because most people do not have the means to freely exercise their capacities (they are subject to the authority of the boss, for example, during work hours).

So, in direct contrast to anarchism, right-"libertarianism" is unconcerned about any form of equality except "equality of rights". This blinds them to the realities of life; in particular, the impact of economic and social power on individuals within society and the social relationships of domination they create. Individuals may be "equal" before the law and in rights, but they may not be free due to the influence of social inequality, the relationships it creates and how it affects the law and the ability of the oppressed to use it. Because of this, all anarchists insist that equality is essential for freedom, including those in the Individualist Anarchist tradition the "anarcho"-capitalist tries to co-opt (*"Spooner and Godwin insist that inequality corrupts freedom. Their anarchism is directed as much against inequality as against tyranny"* and so *"[w]hile sympathetic to Spooner's individualist anarchism, they [Rothbard and David Friedman] fail to notice or conveniently overlook its egalitarian implications."* [Stephen L. Newman, **Liberalism at Wit's End**, p. 74 and p. 76]). Without social equality, individual freedom is so restricted that it becomes a mockery (essentially limiting freedom of the majority to choosing **which** master will govern them rather than being free).

Of course, by defining "equality" in such a restrictive manner, Rothbard's own ideology is proved to be nonsense. As L.A. Rollins notes, *"Libertarianism, the advocacy of 'free society' in which people enjoy 'equal freedom' and 'equal rights,' is actually a specific form of egalitarianism. As such, Libertarianism itself is a revolt against nature. If people, by their very biological nature, are unequal in all the attributes necessary to achieving, and preserving 'freedom' and 'rights' … then there is no way that people can enjoy 'equal freedom' or 'equal rights'. If a free society is conceived as a society of 'equal freedom,' then there ain't no such thing as 'a free society'."* [**The Myth of Natural Law**, p. 36] Under capitalism, freedom is a commodity like everything else. The more money you have, the greater your freedom. "Equal" freedom, in the Newspeak-Rothbardian sense, **cannot** exist! As for "equality before the law", its clear that such a hope is always dashed against the rocks of wealth and market power. As far as rights go, of course, both the rich and the poor have an "equal right" to sleep under a bridge (assuming the bridge's owner agrees of course!); but the owner of the bridge and the homeless have **different** rights, and so they cannot be said to have "equal rights" in the Newspeak-Rothbardian sense either. Needless to say, poor and rich will not "equally" use the "right" to sleep under a bridge, either.

As Bob Black observed: *"The time of your life is the one commodity you can sell but never buy back. Murray Rothbard thinks egalitarianism is a revolt against nature, but his day is 24 hours long, just like everybody else's."* [**Op. Cit.**, p. 147]

By twisting the language of political debate, the vast differences in power in capitalist society can be "blamed" not on an unjust and authoritarian system but on "biology" (we are all unique individuals, after all). Unlike genes (although biotechnology corporations are working on this, too!), human society **can** be changed, by the individuals who comprise it, to reflect the basic features we all share in common — our humanity, our ability to think and feel, and our need for freedom.

Instead of this, the "anarcho"-capitalist thinks that people should be able to select their own "defence companies" (which would provide the needed police) and courts from a free market in "defence" which would spring up after the state monopoly has been eliminated. These companies *"all … would have to abide by the basic law code,"* [**Op. Cit.**, p. 206] Thus a *"general libertarian law code"* would govern the actions of these companies. This "law code" would prohibit coercive aggression at the very least, although to do so it would have to specify what counted as legitimate property, how said can be owned and what actually constitutes aggression. Thus the law code would be quite extensive.

How is this law code to be actually specified? Would these laws be democratically decided? Would they reflect common usage (i.e. custom)? "Supply and demand"? "Natural law"? Given the strong dislike of democracy shown by "anarcho"-capitalists, we think we can safely say that some combination of the last two options would be used. Murray Rothbard argued for "Natural Law" and so the judges in his system would *"not [be] making the law but finding it on the basis of agreed-upon principles derived either from custom or reason."* [**Op. Cit.**, p. 206] David Friedman, on the other hand, argues that different defence firms would sell their own laws. [**The Machinery of Freedom**, p. 116] It is sometimes acknowledged that non-"libertarian" laws may be demanded (and supplied) in such a market although the obvious fact that the rich can afford to pay for more laws (either in quantity or in terms of being more expensive to enforce) is downplayed.

Around this system of "defence companies" is a free market in "arbitrators" and "appeal judges" to administer justice and the *"basic law code."* Rothbard believes that such a system would see *"arbitrators with the best reputation for efficiency and probity"* being *"chosen by the various parties in the market"* and *"will come to be given an increasing amount of business."* Judges *"will prosper on the market in proportion to their reputation for*

F.6 Is "anarcho"-capitalism against the state?

No. Due to its basis in private property, "anarcho"-capitalism implies a class division of society into bosses and workers. Any such division will require a state to maintain it. However, it need not be the same state as exists now. Regarding this point, "anarcho"-capitalism plainly advocates "defence associations" to protect property. For the "anarcho"-capitalist these private companies are not states. For anarchists, they most definitely. As Bakunin put it, the state *"is authority, domination, and force, organised by the property-owning and so-called enlightened classes against the masses."* [**The Basic Bakunin**, p. 140] It goes without saying that "anarcho"-capitalism has a state in the anarchist sense.

According to Murray Rothbard [**Society Without A State**, p. 192], a state must have one or both of the following characteristics:

1. The ability to tax those who live within it.

2. It asserts and usually obtains a coerced monopoly of the provision of defence over a given area.

He makes the same point elsewhere. [**The Ethics of Liberty**, p. 171] Significantly, he stresses that *"our definition of anarchism"* is a system which *"provides no legal sanction"* for aggression against person and property rather than, say, being against government or authority. [**Society without a State**, p. 206]

F.3.1 Why is this disregard for equality important?

Simply because a disregard for equality soon ends with liberty for the majority being negated in many important ways. Most "anarcho"-capitalists and right-Libertarians deny (or at best ignore) market power. Rothbard, for example, claims that economic power does not exist under capitalism; what people call *"economic power"* is *"simply the right under freedom to refuse to make an exchange"* and so the concept is meaningless. [**The Ethics of Liberty**, p. 222]

However, the fact is that there are substantial power centres in society (and so are the source of hierarchical power and authoritarian social relations) which are **not the state**. As Elisee Reclus put it, the *"power of kings and emperors has limits, but that of wealth has none at all. The dollar is the master of masters."* Thus wealth is a source of power as *"the essential thing"* under capitalism *"is to train oneself to pursue monetary gain, with the goal of commanding others by means of the omnipotence of money. One's power increases in direct proportion to one's economic resources."* [quoted by John P. Clark and Camille Martin (eds.), **Anarchy, Geography, Modernity**, p. 95 and pp. 96–7] Thus the central fallacy of "anarcho"-capitalism is the (unstated) assumption that the various actors within an economy have relatively equal power. This assumption has been noted by many readers of their works. For example, Peter Marshall notes that *"'anarcho-capitalists' like Murray Rothbard assume individuals would have equal bargaining power in a [capitalist] market-based society."* [**Demanding the Impossible**, p. 46] George Walford also makes this point in his comments on David Friedman's **The Machinery of Freedom**:

> *"The private ownership envisaged by the anarcho-capitalists would be very different from that which we know. It is hardly going too far to say that while*

the one is nasty, the other would be nice. In anarcho-capitalism there would be no National Insurance, no Social Security, no National Health Service and not even anything corresponding to the Poor Laws; there would be no public safety-nets at all. It would be a rigorously competitive society: work, beg or die. But as one reads on, learning that each individual would have to buy, personally, all goods and services needed, not only food, clothing and shelter but also education, medicine, sanitation, justice, police, all forms of security and insurance, even permission to use the streets (for these also would be privately owned), as one reads about all this a curious feature emerges: everybody always has enough money to buy all these things.

"There are no public casualty wards or hospitals or hospices, but neither is there anybody dying in the streets. There is no public educational system but no uneducated children, no public police service but nobody unable to buy the services of an efficient security firm, no public law but nobody unable to buy the use of a private legal system. Neither is there anybody able to buy much more than anybody else; no person or group possesses economic power over others.

"No explanation is offered. The anarcho-capitalists simply take it for granted that in their favoured society, although it possesses no machinery for restraining competition (for this would need to exercise authority over the competitors and it is an ***anarcho****-capitalist society) competition would not be carried to the point where anybody actually suffered from it. While proclaiming their system to be a competitive one, in which private interest rules unchecked, they*

p. 159] As Peter Marshall notes, *"[i]n the name of freedom, the anarcho-capitalists would like to turn public spaces into private property, but freedom does not flourish behind high fences protected by private companies but expands in the open air when it is enjoyed by all."* [**Demanding the Impossible**, p. 564]

Little wonder Proudhon argued that *"if the public highway is nothing but an accessory of private property; if the communal lands are converted into private property; if the public domain, in short, is guarded, exploited, leased, and sold like private property — what remains for the proletaire? Of what advantage is it to him that society has left the state of war to enter the regime of police?"* [**System of Economic Contradictions**, p. 371]

However, for them such restrictions are of no consequence. As Rothbard argues, any *"prohibitions would not be state imposed, but would simply be requirements for residence or for use of some person's or community's land area."* [**Nations by Consent**, p. 85] Thus we yet again see the blindness of right-"libertarians" to the commonality between private property and the state we first noted in section F.1. The state also maintains that submitting to its authority is the requirement for taking up residence in its territory. As Tucker noted, the state can be defined as (in part) *"the assumption of sole authority over a given area and all within it."* [**The Individualist Anarchists**, p. 24] If the property owners can determine "prohibitions" (i.e. laws and rules) for those who use the property then they are the *"sole authority over a given area and all within it,"* i.e. a state. Thus privatising "the commons" means subjecting the non-property owners to the rules and laws of the property owners — in effect, privatising the state and turning the world into a series of monarchies and oligarchies without the pretence of democracy and democratic rights.

These examples can hardly be said to be increasing liberty for society as a whole, although "anarcho"-capitalists seem to think they would. So far from **increasing** liberty for all, then, privatising the commons would only increase it for the ruling elite, by giving them yet another monopoly from which to collect income and exercise their power over. It would **reduce** freedom for everyone else. Ironically, therefore, Rothbard ideology provides more than enough evidence to confirm the anarchist argument that private property and liberty are fundamentally in conflict. *"It goes without saying that th[e] absolute freedom of thought, speech, and action"* anarchists support *"is incompatible with the maintenance of institutions that restrict free thought, rigidify speech in the form of a final and irrevocable vow, and even dictate that the worker fold his arms and die of hunger at the owners' command."* [Elisee Reclus, quoted by John P. Clark and Camille Martin (eds.), **Anarchy, Geography, Modernity**,

> *show it operating as a co-operative one, in which no person or group profits at the cost of another."* [**On the Capitalist Anarchists**]

This assumption of (relative) equality comes to the fore in Murray Rothbard's "Homesteading" concept of property (discussed in section F.4.1). "Homesteading" paints a picture of individuals and families going into the wilderness to make a home for themselves, fighting against the elements and so forth. It does **not** invoke the idea of transnational corporations employing tens of thousands of people or a population without land, resources and selling their labour to others. Rothbard as noted argued that economic power does not exist (at least under capitalism, as we saw in section F.1 he does make — highly illogical — exceptions). Similarly, David Friedman's example of a pro-death penalty and anti-death penalty "defence" firm coming to an agreement (see section F.6.3) implicitly assumes that the firms have equal bargaining powers and resources — if not, then the bargaining process would be very one-sided and the smaller company would think twice before taking on the larger one in battle (the likely outcome if they cannot come to an agreement on this issue) and so compromise.

However, the right-"libertarian" denial of market power is unsurprising. The *"necessity, not the redundancy, of the assumption about natural equality* is required *"if the inherent problems of contract theory are not to become too obvious."* If some individuals **are** assumed to have significantly more power are more capable than others, and if they are always self-interested, then a contract that creates equal partners is impossible — the pact will establish an association of masters and servants. Needless to say, the strong will present the contract as being to the advantage of both: the strong no longer have to labour (and become rich, i.e. even stronger) and the weak receive an income and so do not starve. [Carole Pateman, **The Sexual Contract**, p. 61] So if freedom is considered as a function of ownership then

it is very clear that individuals lacking property (outside their own body, of course) lose effective control over their own person and labour (which was, least we forget, the basis of their equal natural rights). When ones bargaining power is weak (which is typically the case in the labour market) exchanges tend to magnify inequalities of wealth and power over time rather than working towards an equalisation.

In other words, "contract" need not replace power if the bargaining position and wealth of the would-be contractors are not equal (for, if the bargainers had equal power it is doubtful they would agree to sell control of their liberty/labour to another). This means that "power" and "market" are not antithetical terms. While, in an abstract sense, all market relations are voluntary in practice this is not the case within a capitalist market. A large company has a comparative advantage over smaller ones, communities and individual workers which will definitely shape the outcome of any contract. For example, a large company or rich person will have access to more funds and so stretch out litigations and strikes until their opponents resources are exhausted. Or, if a company is polluting the environment, the local community may put up with the damage caused out of fear that the industry (which it depends upon) would relocate to another area. If members of the community **did** sue, then the company would be merely exercising its property rights when it threatened to move to another location. In such circumstances, the community would "freely" consent to its conditions or face massive economic and social disruption. And, similarly, *"the landlords' agents who threatened to discharge agricultural workers and tenants who failed to vote the reactionary ticket"* in the 1936 Spanish election were just exercising their legitimate property rights when they threatened working people and their families with economic uncertainty and distress. [Murray Bookchin, **The Spanish Anarchists**, p. 260]

impossible to hold a picket when the owner of the pavement objects (as Rothbard himself gleefully argued. [**Op. Cit.**, p. 132]). If the owner of the pavement also happens to be the boss being picketed, which Rothbard himself considered most likely, then workers' rights would be zero. Perhaps we could also see capitalists suing working class organisations for littering their property if they do hand out leaflets (so placing even greater stress on limited resources).

The I.W.W. went down in history for its rigorous defence of freedom of speech because of its rightly famous "free speech" fights in numerous American cities and towns. The city bosses worried by the wobblies' open air public meetings simply made them illegal. The I.W.W. used direct action and carried on holding them. Violence was inflicted upon wobblies who joined the struggle by "private citizens," but in the end the I.W.W. won (for Emma Goldman's account of the San Diego struggle and the terrible repression inflicted on the libertarians by the "patriotic" vigilantes see **Living My Life** [vol. 1, pp. 494–503]). Consider the case under "anarcho"-capitalism. The wobblies would have been "criminal aggressors" as the owners of the streets have refused to allow "subversives" to use them to argue their case. If they refused to acknowledge the decree of the property owners, private cops would have taken them away. Given that those who controlled city government in the historical example were the wealthiest citizens in town, its likely that the same people would have been involved in the fictional ("anarcho"-capitalist) account. Is it a good thing that in the real account the wobblies are hailed as heroes of freedom but in the fictional one they are "criminal aggressors"? Does converting public spaces into private property **really** stop restrictions on free speech being a bad thing?

Of course, Rothbard (and other right-"libertarians") are aware that privatisation will not remove restrictions on freedom of speech, association and so on (while, at the same time, trying to portray themselves as supporters of such liberties!).

— see section E.4). It is unlikely that those wishing to bring suit could find, never mind sue, the millions of individual car owners who could have potentially caused their illness. Hence the road-owners would be sued for letting polluting (or unsafe) cars onto "their" roads. The road-owners would therefore desire to restrict pollution levels by restricting the right to use their property, and so would resist the "right of passage" as an "attack" on their "absolute" property rights. If the road-owners got their way (which would be highly likely given the need for "absolute" property rights and is suggested by the variable pricing way to avoid traffic jams mentioned above) and were able to control who used their property, freedom to travel would be **very** restricted and limited to those whom the owner considered "desirable." Indeed, Murray Rothbard supports such a regime (*"In the free [sic!] society, they [travellers] would, in the first instance, have the right to travel only on those streets whose owners agree to have them there."* [**The Ethics of Liberty**, p. 119]). The threat to liberty in such a system is obvious — to all but Rothbard and other right-"libertarians", of course.

To take another example, let us consider the privatisation of parks, streets and other public areas. Currently, individuals can use these areas to hold political demonstrations, hand out leaflets, picket and so on. However, under "anarcho"-capitalism the owners of such property can restrict such liberties if they desire, calling such activities "initiation of force" (although they cannot explain how speaking your mind is an example of "force"). Therefore, freedom of speech, assembly and a host of other liberties we take for granted would be eliminated under a right-"libertarian" regime. Or, taking the case of pickets and other forms of social struggle, its clear that privatising "the commons" would only benefit the bosses. Strikers or political activists picketing or handing out leaflets in shopping centres are quickly ejected by private security even today. Think about how much worse it would become under "anarcho"-capitalism when the whole world becomes a series of malls — it would be

If we take the labour market, it is clear that the "buyers" and "sellers" of labour power are rarely on an equal footing (if they were, then capitalism would soon go into crisis — see section C.7). As we stressed in section C.9, under capitalism competition in labour markets is typically skewed in favour of employers. Thus the ability to refuse an exchange weighs most heavily on one class than another and so ensures that "free exchange" works to ensure the domination (and so exploitation) of one by the other. Inequality in the market ensures that the decisions of the majority of people within it are shaped in accordance with that needs of the powerful, not the needs of all. It was for this reason, for example, that the Individual Anarchist J.K. Ingalls opposed Henry George's proposal of nationalising the land. Ingalls was well aware that the rich could outbid the poor for leases on land and so the dispossession of the working class would continue.

The market, therefore, does not end power or unfreedom — they are still there, but in different forms. And for an exchange to be truly voluntary, both parties must have equal power to accept, reject, or influence its terms. Unfortunately, these conditions are rarely meet on the labour market or within the capitalist market in general. Thus Rothbard's argument that economic power does not exist fails to acknowledge that the rich can outbid the poor for resources and that a corporation generally has greater ability to refuse a contract (with an individual, union or community) than vice versa (and that the impact of such a refusal is such that it will encourage the others involved to compromise far sooner). In such circumstances, formally free individuals will have to "consent" to be unfree in order to survive. Looking at the tread-mill of modern capitalism, at what we end up tolerating for the sake of earning enough money to survive it comes as no surprise that anarchists have asked whether the market is serving us or are we serving it (and, of course, those who have positions of power within it).

So inequality cannot be easily dismissed. As Max Stirner pointed out, free competition *"is not 'free,' because I lack the **things** for competition."* Due to this basic inequality of wealth (of "things") we find that *"[u]nder the **regime** of the commonality the labourers always fall into the hands of the possessors … of the capitalists, therefore. The labourer cannot **realise** on his labour to the extent of the value that it has for the customer … The capitalist has the greatest profit from it."* [**The Ego and Its Own**, p. 262 and p. 115] It is interesting to note that even Stirner recognised that capitalism results in exploitation and that its roots lie in inequalities in property and so power. And we may add that value the labourer does not *"realise"* goes into the hands of the capitalists, who invest it in more "things" and which consolidates and increases their advantage in "free" competition. To quote Stephan L. Newman:

> *"Another disquieting aspect of the libertarians' refusal to acknowledge power in the market is their failure to confront the tension between freedom and autonomy… Wage labour under capitalism is, of course, formally free labour. No one is forced to work at gun point. Economic circumstance, however, often has the effect of force; it compels the relatively poor to accept work under conditions dictated by owners and managers. The individual worker retains freedom [i.e. negative liberty] but loses autonomy [positive liberty]."* [**Liberalism at Wit's End**, pp. 122–123]

If we consider "equality before the law" it is obvious that this also has limitations in an (materially) unequal society. Brian Morris notes that for Ayn Rand, *"[u]nder capitalism … politics (state) and economics (capitalism) are separated … This, of course, is pure ideology, for Rand's justification of the state is that it 'protects' private property, that is, it supports and upholds the eco-*

purchase, property." What happens to those who cannot **afford** to pay for access or travel (i.e., exit) is not addressed (perhaps, being unable to exit a given capitalist's land they will become bonded labourers? Or be imprisoned and used to undercut workers' wages via prison labour? Perhaps they will just be shot as trespassers? Who can tell?). Nor is it addressed how this situation actually **increases** freedom. For Rothbard, a *"totally privatised country would be as closed as the particular inhabitants and property owners [**not** the same thing, we must point out] desire. It seems clear, then, that the regime of open borders that exists **de facto** in the US really amounts to a compulsory opening by the central state… and does not genuinely reflect the wishes of the proprietors."* [**Nations by Consent**, p. 84 and p. 85] Of course, the wishes of **non**-proprietors (the vast majority) do not matter in the slightest. Thus, it is clear, that with the privatisation of "the commons" the right to roam, to travel, would become a privilege, subject to the laws and rules of the property owners. This can hardly be said to **increase** freedom for anyone bar the capitalist class.

Rothbard acknowledges that *"in a fully privatised world, access rights would obviously be a crucial part of land ownership."* [**Op. Cit.**, p. 86] Given that there is no free lunch, we can imagine we would have to pay for such "rights." The implications of this are obviously unappealing and an obvious danger to individual freedom. The problem of access associated with the idea of privatising the roads can only be avoided by having a "right of passage" encoded into the "general libertarian law code." This would mean that road owners would be required, by law, to let anyone use them. But where are "absolute" property rights in this case? Are the owners of roads not to have the same rights as other owners? And if "right of passage" is enforced, what would this mean for road owners when people sue them for car-pollution related illnesses? (The right of those injured by pollution to sue polluters is the main way "anarcho"-capitalists propose to protect the environment

in charging monopoly prices to other capitalists explains why states have also often regulated transport).

Some may object that this picture of extensive surveillance of individuals would not occur or be impossible. However, Murray Rothbard (in a slightly different context) argued that technology would be available to collate information about individuals. He argued that *"[i]t should be pointed out that modern technology makes even more feasible the collection and dissemination of information about people's credit ratings and records of keeping or violating their contracts or arbitration agreements. Presumably, an anarchist [sic!] society would see the expansion of this sort of dissemination of data."* [**Society Without A State"**, p. 199] So with the total privatisation of society we could also see the rise of private Big Brothers, collecting information about individuals for use by property owners. The example of the **Economic League** (a British company which provided the "service" of tracking the political affiliations and activities of workers for employers) springs to mind.

And, of course, these privatisation suggestions ignore differences in income and market power. If, for example, variable pricing is used to discourage road use at times of peak demand (to eliminate traffic jams at rush-hour) as is suggested both by Murray Rothbard and David Friedman, then the rich will have far more "freedom" to travel than the rest of the population. And we may even see people having to go into debt just to get to work or move to look for work.

Which raises another problem with notion of total privatisation, the problem that it implies the end of freedom of travel. Unless you get permission or (and this seems more likely) pay for access, you will not be able to travel **anywhere**. As Rothbard **himself** makes clear, "anarcho"-capitalism means the end of the right to roam. He states that *"it became clear to me that a totally privatised country would not have open borders at all. If every piece of land in a country were owned ... no immigrant could enter there unless invited to enter and allowed to rent, or*

nomic power of capitalists by coercive means." [**Ecology & Anarchism**, p. 189] The same can be said of "anarcho"-capitalism and its "protection agencies" and *"general libertarian law code."* If within a society a few own all the resources and the majority are dispossessed, then any law code which protects private property **automatically** empowers the owning class. Workers will **always** be initiating force if they rebel against their bosses or act against the code and so equality before the law" reflects and reinforces inequality of power and wealth. This means that a system of property rights protects the liberties of some people in a way which gives them an unacceptable degree of power over others. And this critique cannot be met merely by reaffirming the rights in question, we have to assess the relative importance of the various kinds of liberty and other values we hold dear.

Therefore right-"libertarian" disregard for equality is important because it allows "anarcho"-capitalism to ignore many important restrictions of freedom in society. In addition, it allows them to brush over the negative effects of their system by painting an unreal picture of a capitalist society without vast extremes of wealth and power (indeed, they often construe capitalist society in terms of an ideal — namely artisan production — that is **pre**-capitalist and whose social basis has been eroded by capitalist development). Inequality shapes the decisions we have available and what ones we make:

> *"An 'incentive' is always available in conditions of substantial social inequality that ensure that the 'weak' enter into a contract. When social inequality prevails, questions arise about what counts as voluntary entry into a contract. This is why socialists and feminists have focused on the conditions of entry into the employment contract and the marriage contract. Men and women ... are now juridically free and equal citizens, but, in unequal social condi-*

tions, the possibility cannot be ruled out that some or many contracts create relationships that bear uncomfortable resemblances to a slave contract." [Carole Pateman, **Op. Cit.**, p. 62]

This ideological confusion of right-libertarianism can also be seen from their opposition to taxation. On the one hand, they argue that taxation is wrong because it takes money from those who "earn" it and gives it to the poor. On the other hand, "free market" capitalism is assumed to be a more equal society! If taxation takes from the rich and gives to the poor, how will "anarcho"-capitalism be more egalitarian? That equalisation mechanism would be gone (of course, it could be claimed that all great riches are purely the result of state intervention skewing the "free market" but that places all their "rags to riches" stories in a strange position). Thus we have a problem: either we have relative equality or we do not. Either we have riches, and so market power, or we do not. And its clear from the likes of Rothbard, "anarcho"-capitalism will not be without its millionaires (there is, according to him, apparently nothing un-libertarian about *"hierarchy, wage-work, granting of funds by libertarian millionaires, and a libertarian party"* [quoted by Black, **Op. Cit.**, p. 142]). And so we are left with market power and so extensive unfreedom.

Thus, for a ideology that denounces egalitarianism as a *"revolt against nature"* it is pretty funny that they paint a picture of "anarcho"-capitalism as a society of (relative) equals. In other words, their propaganda is based on something that has never existed, and never will: an egalitarian capitalist society. Without the implicit assumption of equality which underlies their rhetoric then the obvious limitations of their vision of "liberty" become too obvious. Any real laissez-faire capitalism would be unequal and *"those who have wealth and power would only increase their privileges, while the weak and poor would go to the wall ... Right-wing libertarians merely want freedom for them-*

introduced). In London, the local government has introduced a scheme which allowed people to pay for public transport by electronic card. It also allowed the government to keep a detailed record of where and when people travelled, with obvious civil liberty implications.

If we extrapolate from these to a system of **fully** privatised "commons," it would clearly require all individuals to have tracking devices on them so they could be properly billed for use of roads, pavements, etc. Obviously being tracked by private firms would be a serious threat to individual liberty. Another, less costly, option would be for private guards to randomly stop and question car-owners and individuals to make sure they had paid for the use of the road or pavement in question. "Parasites" would be arrested and fined or locked up. Again, however, being stopped and questioned by uniformed individuals has more in common with police states than liberty. Toll-boothing **every** street would be highly unfeasible due to the costs involved and difficulties for use that it implies. Thus the idea of privatising roads and charging drivers to gain access seems impractical at best and distinctly freedom endangering at worse. Would giving companies that information for all travellers, including pedestrians, **really** eliminate all civil liberty concerns?

Of course, the option of owners letting users have free access to the roads and pavements they construct and run would be difficult for a profit-based company. No one could make a profit in that case. If companies paid to construct roads for their customers/employees to use, they would be financially hindered in competition with other companies that did not, and thus would be unlikely to do so. If they restricted use purely to their own customers, the tracking problem appears again. So the costs in creating a transport network and then running it explains why capitalism has always turned to state aid to provide infrastructure (the potential power of the owners of such investments

F.5 Will privatising "the commons" increase liberty?

"Anarcho"-capitalists aim for a situation in which *"no land areas, no square footage in the world shall remain 'public,'"* in other words **everything** will be *"privatised."* [Murray Rothbard, **Nations by Consent**, p. 84] They claim that privatising "the commons" (e.g. roads, parks, etc.) which are now freely available to all will increase liberty. Is this true? Here we will concern ourselves with private ownership of commonly used "property" which we all take for granted (and often pay for with taxes).

Its clear from even a brief consideration of a hypothetical society based on "privatised" roads (as suggested by Murray Rothbard [**For a New Liberty**, pp. 202–203] and David Friedman [**The Machinery of Freedom**, pp. 98–101]) that the only increase of liberty will be for the ruling elite. As "anarcho"-capitalism is based on paying for what one uses, privatisation of roads would require some method of tracking individuals to ensure that they pay for the roads they use. In the UK, for example, during the 1980s the British Tory government looked into the idea of toll-based motorways. Obviously having toll-booths on motorways would hinder their use and restrict "freedom," and so they came up with the idea of tracking cars by satellite. Every vehicle would have a tracking device installed in it and a satellite would record where people went and which roads they used. They would then be sent a bill or have their bank balances debited based on this information (in the fascist city-state/company town of Singapore such a scheme **has** been

selves to protect their privileges and to exploit others." [Peter Marshall, **Op. Cit.**, p. 653]

F.3.2 Can there be harmony of interests in an unequal society?

Like the right-liberalism it is derived from, "anarcho"-capitalism is based on the concept of *"harmony of interests"* which was advanced by the likes of Frédéric Bastiat in the 19th century and Rothbard's mentor Ludwig von Mises in the 20th. For Rothbard, *"all classes live in harmony through the voluntary exchange of goods and services that mutually benefits them all."* This meant that capitalists and workers have no antagonistic class interests [**Classical Economics: An Austrian Perspective on the History of Economic Thought**, Vol. 2, p. 380 and p. 382]

For Rothbard, class interest and conflict does not exist within capitalism, except when it is supported by state power. It was, he asserted, *"fallacious to employ such terms as 'class interests' or 'class conflict' in discussing the market economy."* This was because of two things: *"harmony of interests of different groups"* **and** *"lack of homogeneity among the interests of any one social class."* It is only in *"relation to **state** action that the interests of different men become welded into 'classes'."* This means that the *"homogeneity **emerges from** the interventions of the government into society."* [**Conceived in Liberty**, vol. 1, p. 261] So, in other words, class conflict is impossible under capitalism because of the wonderful coincidence that there are, simultaneously, both common interests between individuals and classes and lack of any!

You do not need to be an anarchist or other socialist to see that this argument is nonsense. Adam Smith, for example, simply recorded reality when he noted that workers and bosses have *"interests [which] are by no means the same. The workmen desire to get as much, the masters to give as little as possible.*

The former are disposed to combine in order to raise, the latter to lower the wages of labour." [**The Wealth of Nations**, p. 58] The state, Smith recognised, was a key means by which the property owning class maintained their position in society. As such, it **reflects** economic class conflict and interests and does not **create** it (this is **not** to suggest that economic class is the only form of social hierarchy of course, just an extremely important one). American workers, unlike Rothbard, were all too aware of the truth in Smith's analysis. For example, one group argued in 1840 that the bosses *"hold us then at their mercy, and make us work solely for their profit ... The capitalist has no other interest in us, than to get as much labour out of us as possible. We are hired men, and hired men, like hired horses, have no souls."* Thus *"their interests as capitalist, and ours as labourers, are directly opposite"* and *"in the nature of things, hostile, and irreconcilable."* [quoted by Christopher L. Tomlins, **Law, Labor, and Ideology in the Early American Republic**, p. 10] Then there is Alexander Berkman's analysis:

> *"It is easy to understand why the masters don't want you to be organised, why they are afraid of a real labour union. They know very well that a strong, fighting union can compel higher wages and better conditions, which means less profit for the plutocrats. That is why they do everything in their power to stop labour from organising ...*
>
> *"The masters have found a very effective way to paralyse the strength of organised labour. They have persuaded the workers that they have the same interests as the employers ... and what is good for the employer is also good for his employees ... If your interests are the same as those of your boss, then why should you fight him? That is what they tell you ... It is good for the industrial magnates to have their workers believe [this] ... [as they] will not think of*

and that the wealthy elite and their property rights were protected against the many (*"Elite and well-to-do sectors of the population mobilised in great force to support an instrument that clearly benefited them at the expense of the backcountry agrarians and urban poor."*) [Bookchin, **Op. Cit.**, p. 234, p. 235 and p. 243]). Thus the homestead system was, ironically, undermined and destroyed by the rise of capitalism (aided, as usual, by a state run by and for the rich).

So while Rothbard's theory as a certain appeal (reinforced by watching too many Westerns, we imagine) it fails to justify the "unrestricted" property rights theory (and the theory of freedom Rothbard derives from it). All it does is to end up justifying capitalist and landlord domination (which is what it was intended to do).

commercial interlopers. This condition of near-autarchy, however, was not individualistic; rather it made for strong community interdependence … In fact, the independence that the New England yeomanry enjoyed was itself a function of the co-operative social base from which it emerged. To barter home-grown goods and objects, to share tools and implements, to engage in common labour during harvesting time in a system of mutual aid, indeed, to help new-comers in barn-raising, corn-husking, log-rolling, and the like, was the indispensable cement that bound scattered farmsteads into a united community." Bookchin quotes David P. Szatmary (author of a book on Shay' Rebellion) stating that it was a society based upon *"co-operative, community orientated interchanges"* and not a *"basically competitive society."* [**The Third Revolution**, vol. 1, p. 233]

Into this non-capitalist society came capitalist elements. Market forces and economic power soon resulted in the transformation of this society. Merchants asked for payment in specie (gold or silver coin), which the farmers did not have. In addition, money was required to pay taxes (taxation has always been a key way in which the state encouraged a transformation towards capitalism as money could only be made by hiring oneself to those who had it). The farmers *"were now cajoled by local shopkeepers"* to *"make all their payments and meet all their debts in money rather than barter. Since the farmers lacked money, the shopkeepers granted them short-term credit for their purchases. In time, many farmers became significantly indebted and could not pay off what they owed, least of all in specie."* The creditors turned to the courts and many the homesteaders were dispossessed of their land and goods to pay their debts. In response Shay's rebellion started as the *"urban commercial elites adamantly resisted [all] peaceful petitions"* while the *"state legislators also turned a deaf ear"* as they were heavily influenced by these same elites. This rebellion was an important factor in the centralisation of state power in America to ensure that popular input and control over government were marginalised

> *fighting their masters for better conditions, but they will be patient and wait till the employer can 'share his prosperity' with them … If you listen to your exploiters and their mouthpieces you will be 'good' and consider only the interests of your masters … but no one cares about **your** interests … 'Don't be selfish,' they admonish you, while the boss is getting rich by your being good and unselfish. And they laugh in their sleeves and thank the Lord that you are such an idiot.*
>
> *"But … the interests of capital and labour are not the same. No greater lie was ever invented than the so-called 'identity of interests' … It is clear that … they are entirely opposite, in fact antagonistic to each other."* [**What is Anarchism?**, pp. 74–5]

That Rothbard denies this says a lot about the power of ideology.

Rothbard was clear what unions do, namely limit the authority of the boss and ensure that workers keep more of the surplus value they produce. As he put it, unions *"attempt to persuade workers that they can better their lot at the expense of the employer. Consequently, they invariably attempt as much as possible to establish work rules that hinder management's directives … In other words, instead of agreeing to submit to the work orders of management in exchange for his pay, the worker now set up not only minimum wages, but also work rules without which they refuse to work."* This will *"lower output."* [**The Logic of Action II**, p. 40 and p. 41] Notice the assumption, that the income of and authority of the boss are sacrosanct.

For Rothbard, unions lower productivity and harm profits because they contest the authority of the boss to do what they like on their property (apparently, laissez-faire was not applicable for working class people during working hours). Yet this implicitly acknowledges that there **are** conflicts of interests be-

tween workers and bosses. It does not take too much thought to discover possible conflicts of interests which could arise between workers who seek to maximise their wages and minimise their labour and bosses who seek to minimise their wage costs and maximise the output their workers produce. It could be argued that if workers do win this conflict of interests then their bosses will go out of business and so they harm themselves by not obeying their industrial masters. The rational worker, in this perspective, would be the one who best understood that his or her interests have become the same as the interests of the boss because his or her prosperity will depend on how well their firm is doing. In such cases, they will put the interest of the firm before their own and not hinder the boss by questioning their authority. If that is the case, then "harmony of interests" simply translates as "bosses know best" and "do what you are told" — and such obedience is a fine "harmony" for the order giver we are sure!

So the interesting thing is that Rothbard's perspective produces a distinctly servile conclusion. If workers do not have a conflict of interests with their bosses then, obviously, the logical thing for the employee is to do whatever their boss orders them to do. By serving their master, they automatically benefit themselves. In contrast, anarchists have rejected such a position. For example, William Godwin rejected capitalist private property precisely because of the *"spirit of oppression, the spirit of servility, and the spirit of fraud"* it produced. [**An Enquiry into Political Justice**, p. 732]

Moreover, we should note that Rothbard's diatribe against unions also implicitly acknowledges the socialist critique of capitalism which stresses that it is being subject to the authority of boss during work hours which makes exploitation possible (see section C.2). If wages represented the workers' "marginal" contribution to production, bosses would not need to ensure their orders were followed. So any real boss fights unions precisely because they limit their ability to extract as

nate for the customers, as are many situations in life." [**Op. Cit.**, p. 50f and p. 221] That the owner is providing *"a vital service"* only because he has expropriated the common heritage of humanity is as lost on Rothbard as is the obvious economic power that this situation creates.

And, of course, Rothbard ignores the fact of economic power — a transnational corporation can "transform" far more virgin resources in a day by hiring workers than a family could in a year. A transnational "mixing" the labour it has bought from its wage slaves with the land does not spring into mind reading Rothbard's account of property but in the real world that is what happens. This is, perhaps, unsurprising as the whole point of Locke's theory was to justify the appropriation of the product of other people's labour by their employer.

Which is another problem with Rothbard's account. It is completely ahistoric (and so, as we noted above, is more like an *"immaculate conception of property"*). He has transported "capitalist man" into the dawn of time and constructed a history of property based upon what he is trying to justify. He ignores the awkward historic fact that land was held in common for millennium and that the notion of "mixing" labour to enclose it was basically invented to justify the expropriation of land from the general population (and from native populations) by the rich. What **is** interesting to note, though, is that the **actual** experience of life on the US frontier (the historic example Rothbard seems to want to claim) was far from the individualistic framework he builds upon it and (ironically enough) it was destroyed by the development of capitalism.

As Murray Bookchin notes, in rural areas there *"developed a modest subsistence agriculture that allowed them to be almost wholly self-sufficient and required little, if any, currency."* The economy was rooted in barter, with farmers trading surpluses with nearby artisans. This pre-capitalist economy meant people enjoyed *"freedom from servitude to others"* and *"fostered"* a *"sturdy willingness to defend [their] independence from outside*

transformed, but can the river itself? How can you mix your labour with water? "Anarcho"-capitalists usually blame pollution on the fact that rivers, oceans, and so forth are unowned but as we discussed in section E.4, Rothbard provided no coherent argument for resolving this problem nor the issue of environmental externalities like pollution it was meant to solve (in fact, he ended up providing polluters with sufficient apologetics to allow them to continue destroying the planet).

Then there is the question of what equates to "mixing" labour. Does fencing in land mean you have "mixed labour" with it? Rothbard argues that this is not the case (he expresses opposition to *"arbitrary claims"*). He notes that it is **not** the case that *"the first discoverer ... could properly lay claim to"* a piece of land by *"laying out a boundary for the area."* He thinks that *"their claim would still be no more than the boundary **itself**, and not to any of the land within, for only the boundary will have been transformed and used by men"* However, if the boundary **is** private property and the owner refuses others permission to cross it, then the enclosed land is inaccessible to others! If an "enterprising" right-"libertarian" builds a fence around the only oasis in a desert and refuses permission to cross it to travellers unless they pay his price (which is everything they own) then the person **has** appropriated the oasis without "transforming" it by his labour. The travellers have the choice of paying the price or dying (and any oasis owner is well within his rights letting them die). Given Rothbard's comments, it is probable that he could claim that such a boundary is null and void as it allows "arbitrary" claims — although this position is not at all clear. After all, the fence builder **has** transformed the boundary and "unrestricted" property rights is what the right-"libertarian" is all about. One thing is true, if the oasis became private property by some means then refusing water to travellers would be fine as *"the owner is scarcely being 'coercive'; in fact he is supplying a vital service, and should have the right to refuse a sale or charge whatever the customers will pay. The situation may be unfortu-*

much product as possible from the worker for the agreed wage. As such, the hierarchical social relations within the workplace ensure that there are no *"harmony of interests"* as the key to a successful capitalist firm is to minimise wage costs in order to maximise profits. It should also be noted that Rothbard has recourse to another concept "Austrian" economists claims to reject during his anti-union comments. Somewhat ironically, he appeals to equilibrium analysis as, apparently, *"wage rates on the non-union labour market will always tend toward equilibrium in a smooth and harmonious manner"* (in another essay, he opines that *"in the Austrian tradition ... the entrepreneur harmoniously adjusts the economy in the direction of equilibrium"*). [**Op. Cit.**, p. 41 and p. 234] True, he does not say that the wages will reach equilibrium (and what stops them, unless, in part, it is the actions of entrepreneurs disrupting the economy?) however, it is strange that the labour market can approximate a situation which Austrian economists claim does not exist! However, as noted in section C.1.6 this fiction is required to hide the obvious economic power of the boss class under capitalism.

Somewhat ironically, given his claims of *"harmony of interests,"* Rothbard was well aware that landlords and capitalists have always used the state to further their interests. However, he preferred to call this *"mercentilism"* rather than capitalism. As such, it is amusing to read his short article *"Mercentilism: A Lesson for Our Times?"* as it closely parallels Marx's classic account of *"Primitive Accumulation"* contained in volume 1 of **Capital**. [Rothbard, **Op. Cit.**, pp. 43–55] The key difference is that Rothbard simply refused to see this state action as creating the necessary preconditions for his beloved capitalism nor does it seem to impact on his mantra of *"harmony of interests"* between classes. In spite of documenting exactly how the capitalist and landlord class used the state to enrich themselves at the expense of the working class, he refuses to consider how this refutes any claim of *"harmony of interests"* between exploiter and exploited.

Rothbard rightly notes that mercantilism involved the *"use of the state to cripple or prohibit one's competition."* This applies to both foreign capitalists and to the working class who are, of course, competitors in terms of how income is divided. Unlike Marx, he simply failed to see how mercantilist policies were instrumental for building an industrial economy and creating a proletariat. Thus he thunders against mercantilism for *"lowering interest rates artificially"* and promoting inflation which *"did not benefit the poor"* as *"wages habitually lagged behind the rise in prices."* He describes the *"desperate attempts by the ruling classes to coerce wages below their market rates."* Somewhat ironically, given the "anarcho"-capitalist opposition to legal holidays, he noted the mercantilists *"dislike of holidays, by which the 'nation' was deprived of certain amounts of labour; the desire of the individual worker for leisure was never considered worthy of note."* So why were such "bad" economic laws imposed? Simply because the landlords and capitalists were in charge of the state. As Rothbard notes, *"this was clearly legislation for the benefit of the feudal landlords and to the detriment of the workers"* while Parliament *"was heavily landlord-dominated."* In Massachusetts the upper house consisted *"of the wealthiest merchants and landowners."* The mercantilists, he notes but does not ponder, *"were frankly interested in exploiting [the workers'] labour to the utmost."* [**Op. Cit.**, p. 44, p. 46, p. 47, p. 51, p. 48, p. 51, p. 47, p. 54 and p. 47] Yet these policies made perfect sense from their class perspective, they were essential for maximising a surplus (profits) which was subsequently invested in developing industry. As such, they were very successful and laid the foundation for the industrial capitalism of the 19th century. The key change between mercantilism and capitalism proper is that economic power is greater as the working class has been successfully dispossessed from the means of life and, as such, political power need not be appealed to as often and can appear, in rhetoric at least, defensive.

Rothbard picks the former over the latter and his theory is simply a rationale for a specific class based property rights system (*"[w]e who belong to the proletaire class, property excommunicates us!"* [P-J Proudhon, **Op. Cit.**, p. 105]). As Rothbard **himself** admitted in respect to the aftermath of slavery and serfdom, not having access to the means of life places one the position of unjust dependency on those who do and so private property creates economic power as much under his beloved capitalism as it did in post-serfdom (see section F.1). Thus, Rothbard's account, for all its intuitive appeal, ends up justifying capitalist and landlord domination and ensures that the vast majority of the population experience property as theft and despotism rather than as a source of liberty and empowerment (which possession gives).

It also seems strange that while (correctly) attacking social contract theories of the state as invalid (because *"no past generation can bind later generations"* [**Op. Cit.**, p. 145]) he fails to see he is doing **exactly that** with his support of private property (similarly, Ayn Rand argued that *"[a]ny alleged 'right' of one man, which necessitates the violation of the right of another, is not and cannot be a right"* but, obviously, appropriating land does violate the rights of others to walk, use or appropriate that land [**Capitalism: The Unknown Ideal**, p. 325]). Due to his support for appropriation and inheritance, Rothbard is clearly ensuring that future generations are **not** born as free as the first settlers were (after all, they cannot appropriate any land, it is all taken!). If future generations cannot be bound by past ones, this applies equally to resources and property rights. Something anarchists have long realised — there is no defensible reason why those who first acquired property should control its use and exclude future generations.

Even if we take Rothbard's theory at face value we find numerous problems with it. If title to unowned resources comes via the *"expenditure of labour"* on it, how can rivers, lakes and the oceans be appropriated? The banks of the rivers can be

tion E.4.2 this was because it could lead (horror of horrors!) to the outlawry of all private property.

Sadly for Rothbard, his "homesteading" theory of property was refuted by Proudhon in **What is Property?** in 1840 (along with many other justifications of property). Proudhon rightly argued that *"if the liberty of man is sacred, it is equally sacred in all individuals; that, if it needs property for its objective action, that is, for its life, the appropriation of material is equally necessary for all ... Does it not follow that if one individual cannot prevent another ... from appropriating an amount of material equal to his own, no more can he prevent individuals to come."* And if all the available resources are appropriated, and the owner *"draws boundaries, fences himself in ... Here, then, is a piece of land upon which, henceforth, no one has a right to step, save the proprietor and his friends ... Let [this]... multiply, and soon the people ... will have nowhere to rest, no place to shelter, no ground to till. They will die at the proprietor's door, on the edge of that property which was their birthright."* [**What is Property?**, pp. 84–85 and p. 118]

Proudhon's genius lay in turning apologies for private property against it by treating them as absolute and universal as its apologists treated property itself. To claims like Rothbard's that property was a natural right, he explained that the essence of such rights was their universality and that private property ensured that this right could not be extended to all. To claims that labour created property, he simply noted that private property ensured that most people have no property to labour on and so the outcome of that labour was owned by those who did. As for occupancy, he simply noted that most owners do not occupancy all the property they own while those who do use it do not own it. In such circumstances, how can occupancy justify property when property excludes occupancy? Proudhon showed that the defenders of property had to choose between self-interest and principle, between hypocrisy and logic.

Discussing attempts by employers in Massachusetts in 1670 and 1672 to get the state to enforce a maximum wage Rothbard opined that there *"seemed to be no understanding of how wages are set in an unhampered market."* [**Conceived in Liberty**, vol. 2, p. 18] On the contrary, dear professor, the employers were perfectly aware of how wages were set in a market where workers have the upper hand and, consequently, sought to use the state to hamper the market. As they have constantly done since the dawn of capitalism as, unlike certain economists, they are fully aware of the truth of *"harmony of interests"* and acted accordingly. As we document in section F.8, the history of capitalism is filled with the capitalist class using the state to enforce the kind of *"harmony of interests"* which masters have always sought — obedience. This statist intervention has continued to this day as, in practice, the capitalist class has never totally relied on economic power to enforce its rule due to the instability of the capitalist market — see section C.7 — as well as the destructive effects of market forces on society and the desire to bolster its position in the economy at the expense of the working class — see section D.1. That the history and current practice of capitalism was not sufficient to dispel Rothbard of his *"harmony of interests"* position is significant. But, as Rothbard was always at pains to stress as a good "Austrian" economist, empirical testing does not prove or disprove a theory and so the history and practice of capitalism matters little when evaluating the pros and cons of that system (unless its history confirms Rothbard's ideology then he does make numerous empirical statements).

For Rothbard, the obvious **class** based need for such policies is missing. Instead, we get the pathetic comment that only *"certain"* merchants and manufacturers *"benefited from these mercantilist laws."* [**The Logic of Action II**, p. 44] He applied this same myopic perspective to "actually existing" capitalism as well, of course, lamenting the use of the state by certain capitalists as the product of economic ignorance and/or special in-

terests specific to the capitalists in question. He simply could not see the forest for the trees. This is hardly a myopia limited to Rothbard. Bastiat formulated his *"harmony of interests"* theory precisely when the class struggle between workers and capitalists had become a threat to the social order, when socialist ideas of all kinds (including anarchism, which Bastiat explicitly opposed) were spreading and the labour movement was organising illegally due to state bans in most countries. As such, he was propagating the notion that workers and bosses had interests in common when, in practice, it was most obviously the case they had not. What "harmony" that did exist was due to state repression of the labour movement, itself a strange necessity if labour and capital **did** share interests.

The history of capitalism causes problems within "anarcho"-capitalism as it claims that everyone benefits from market exchanges and that this, not coercion, produces faster economic growth. If this **is** the case, then why did some individuals reject the market in order to enrich themselves by political means and, logically, impoverish themselves in the long run (and it has been an **extremely** long run)? And why have the economically dominant class generally also been the ones to control the state? After all, if there are no class interests or conflict then why has the property owning classes always sought state aid to skew the economy in its interests? If the classes **did** have harmonious interests then they would have no need to bolster their position nor would they seek to. Yet state policy has always reflected the needs of the property-owning elite — subject to pressures from below, of course (as Rothbard rather lamely notes, without pondering the obvious implications, the *"peasantry and the urban labourers and artisans were never able to control the state apparatus and were therefore at the bottom of the state-organised pyramid and exploited by the ruling groups."* [**Conceived in Liberty**, vol. 1, p. 260]). It is no coincidence that the working classes have not been able to control the state nor that legislation is *"grossly the favourer of the rich against the*

is based on numerous fallacies. It confuses the market price of something with how important it is; it confuses capitalism with productive activity in general; and it confuses profits with an activities contribution to social and individual well being; it confuses freedom with the ability to pick a master rather than as an absence of a master. Needless to say, as they consider capitalism as the most efficient economy ever the underlying assumption is that capitalist systems will win out in competition with all others. This will obviously be aided immensely under a law code which is capitalist in nature.

F.4.1 What is wrong with a "homesteading" theory of property?

So how do "anarcho"-capitalists justify property? Looking at Murray Rothbard, we find that he proposes a *"homesteading theory of property"*. In this theory it is argued that property comes from occupancy and mixing labour with natural resources (which are assumed to be unowned). Thus the world is transformed into private property, for *"title to an unowned resource (such as land) comes properly only from the expenditure of labour to transform that resource into use."* [**The Ethics of Liberty**, p. 63]

His theory, it should be stressed, has its roots in the same Lockean tradition as Robert Nozick's (which we critiqued in section B.3.4). Like Locke, Rothbard paints a conceptual history of individuals and families forging a home in the wilderness by the sweat of their labour (it is tempting to rename his theory the ***"immaculate conception of property"*** as his conceptual theory is so at odds with actual historical fact). His one innovation (if it can be called that) was to deny even the rhetorical importance of what is often termed the Lockean Proviso, namely the notion that common resources can be appropriated only if there is enough for others to do likewise. As we noted in sec-

— a proposal that is equivalent to bringing back the state under another name. This will be discussed in more detail in section F.6.

By advocating private property, right-"libertarians" contradict many of their other claims. For example, they tend to oppose censorship and attempts to limit freedom of association within society when the state is involved yet they will wholeheartedly support the right of the boss or landlord when they ban unions or people talking about unions on their property. They will oppose closed shops when they are worker created but have no problems when bosses make joining the company union a mandatory requirement for taking a position. Then they say that they support the right of individuals to travel where they like. They make this claim because they assume that only the state limits free travel but this is a false assumption. Owners must agree to let you on their land or property (*"people only have the right to move to those properties and lands where the owners desire to rent or sell to them."* [Murray Rothbard, **The Ethics of Liberty**, p. 119]. There is no "freedom of travel" onto private property (including private roads). Therefore immigration may be just as hard under "anarcho"-capitalism as it is under statism (after all, the state, like the property owner, only lets people in whom it wants to let in). Private property, as can be seen from these simple examples, is the state writ small. Saying it is different when the boss does it is not convincing to any genuine libertarian.

Then there is the possibility of alternative means of living. Right-"libertarians" generally argue that people can be as communistic as they want on their own property. They fail to note that all groups would have no choice about living under laws based on the most rigid and extreme interpretation of property rights invented and surviving within the economic pressures such a regime would generate. If a community cannot survive in the capitalist market then, in their perspective, it deserves its fate. Yet this Social-Darwinist approach to social organisation

poor." [William Godwin, **Op. Cit.**, p. 93] They **are** the ones passing the laws, after all. This long and continuing anti-labour intervention in the market does, though, place Rothbard's opinion that government is a conspiracy against the superior man in a new light!

So when right-"libertarians" assert that there are *"harmony of interests"* between classes in an unhampered market, anarchists simply reply by pointing out that the very fact we have a "hampered" market shows that no such thing exists within capitalism. It will be argued, of course, that the right-"libertarian" is against state intervention for the capitalists (beyond defending their property which is a significant use of state power in and of itself) and that their political ideas aim to stop it. Which is true (and why a revolution would be needed to implement it!). However, the very fact that the capitalist class has habitually turned to the state to bolster its economic power is precisely the issue as it shows that the right-"libertarian" harmony of interests (on which they place so much stress as the foundation of their new order) simply does not exist. If it did, then the property owning class would never have turned to the state in the first place nor would it have tolerated "certain" of its members doing so.

If there were harmony of interests between classes, then the bosses would not turn to death squads to kill rebel workers as they have habitually done (and it should be stressed that libertarian union organisers have been assassinated by bosses and their vigilantes, including the lynching of IWW members and business organised death squads against CNT members in Barcelona). This use of private and public violence should not be surprising, for, at the very least, as Mexican anarchist Ricardo Flores Magon noted, there can be no real fraternity between classes *"because the possessing class is always disposed to perpetuate the economic, political, and social system that guarantees it the tranquil enjoyment of its plunders, while the working*

class makes efforts to destroy this iniquitous system." [**Dreams of Freedom**, p. 139]

Rothbard's obvious hatred of unions and strikes can be explained by his ideological commitment to the *"harmony of interests."* This is because strikes and the need of working class people to organise gives the lie to the doctrine of *"harmony of interests"* between masters and workers that apologists for capitalism like Rothbard suggested underlay industrial relations. Worse, they give credibility to the notion that there exists opposed interests between classes. Strangely, Rothbard himself provides more than enough evidence to refute his own dogmas when he investigates state intervention on the market.

Every ruling class seeks to deny that it has interests separate from the people under it. Significantly those who deny class struggle the most are usually those who practice it the most (for example, Mussolini, Pinochet and Thatcher all proclaimed the end of class struggle while, in America, the Republican-right denounces anyone who points out the results of **their** class war on the working class as advocating "class war"). The elite has long been aware, as Black Nationalist Steve Biko put it, that the *"most potent weapon in the hands of the oppressor is the mind of the oppressed."* Defenders of slavery and serfdom presented it as god's will and that the master's duty was to treat the slave well just as the slave's duty was to obey (while, of course, blaming the slave if the master did not hold up his side of the covenant). So every hierarchical system has its own version of the *"harmony of interests"* position and each hierarchical society which replaces the last mocks the previous incarnations of it while, at the same time, solemnly announcing that **this** society truly does have harmony of interests as its founding principle. Capitalism is no exception, with many economists repeating the mantra that every boss has proclaimed from the dawn of time, namely that workers and their masters have common interests. As usual, it is worthwhile to quote Rothbard on this matter. He (rightly) takes to task a defender of the slave master's version

"consent" as we have continually stressed. As Peter Kropotkin pointed out long ago:

> *"When a workman sells his labour to an employer … it is a mockery to call that a free contract. Modern economists may call it free, but the father of political economy — Adam Smith — was never guilty of such a misrepresentation. As long as three-quarters of humanity are compelled to enter into agreements of that description, force is, of course, necessary, both to enforce the supposed agreements and to maintain such a state of things. Force — and a good deal of force — is necessary to prevent the labourers from taking possession of what they consider unjustly appropriated by the few… The Spencerian party [proto-right-'libertarians'] perfectly well understand that; and while they advocate no force for changing the existing conditions, they advocate still more force than is now used for maintaining them. As to Anarchy, it is obviously as incompatible with plutocracy as with any other kind of -cracy."* [**Anarchism and Anarchist Communism**, pp. 52–53]

Because of this need to defend privilege and power, "anarcho"-capitalism is best called "private-state" capitalism. As anarchists Stuart Christie and Albert Meltzer argue, the *"American oil baron, who sneers at any form of State intervention in his manner of conducting business — that is to say, of exploiting man and nature — is also able to 'abolish the State' to a certain extent. But he has to build up a repressive machine of his own (an army of sheriffs to guard his interests) and takes over as far as he can, those functions normally exercised by the government, excluding any tendency of the latter that might be an obstacle to his pursuit of wealth."* [**Floodgates of Anarchy**, p. 12] Unsurprising "anarcho"-capitalists propose private security forces rather than state security forces (police and military)

to the conclusion that the theory is hopelessly inadequate. While it may capture some partial intuition regarding justice, it evidently neglects others.

"The real question to be raised about theories that fail so completely to capture the concept of justice in its significant and intuitive sense is why they arouse such interest. Why are they not simply dismissed out of hand on the grounds of this failure, which is striking in clear cases? Perhaps the answer is, in part, the one given by Edward Greenberg in a discussion of some recent work on the entitlement theory of justice. After reviewing empirical and conceptual shortcomings, he observes that such work 'plays an important function in the process of … 'blaming the victim,' and of protecting property against egalitarian onslaughts by various non-propertied groups.' An ideological defence of privileges, exploitation, and private power will be welcomed, regardless of its merits.

"These matters are of no small importance to poor and oppressed people here and elsewhere." [**The Chomsky Reader**, pp. 187–188]

The glorification of property rights has always been most strongly advocated by those who hold the bulk of property in a society. This is understandable as they have the most to gain from this. Those seeking to increase freedom in society would be wise to understand why this is the case and reject it.

The defence of capitalist property does have one interesting side effect, namely the need arises to defend inequality and the authoritarian relationships inequality creates. Due to (capitalist) private property, wage labour would still exist under "anarcho"-capitalism (it is capitalism after all). This means that "defensive" force, a state, is required to "defend" exploitation, oppression, hierarchy and authority from those who suffer them. Inequality makes a mockery of free agreement and

of *"harmony of interests"* and, in so doing, exposes the role of economics under capitalism. To quote Rothbard:

> *"The increasing alienation of the slaves and the servants led … the oligarchy to try to win their allegiance by rationalising their ordeal as somehow natural, righteous, and divine. So have tyrants always tried to dupe their subjects into approving — or at least remaining resigned to — their fate … Servants, according to the emphatically non-servant [Reverend Samuel] Willard, were duty-bound to revere and obey their masters, to serve them diligently and cheerfully, and to be patient and submissive even to the cruellest master. A convenient ideology indeed for the masters! … All the subjects must do, in short, was to surrender their natural born gift of freedom and independence, to subject themselves completely to the whims and commands of others, who could then be blindly trusted to 'take care' of them permanently …*
>
> *"Despite the myths of ideology and the threats of the whip, servants and slaves found many ways of protest and rebellion. Masters were continually denouncing servants for being disobedient, sullen, and lazy."* [**Conceived in Liberty**, vol. 2, pp. 18–19]

Change Reverend Samuel Willard to the emphatically non-worker Professor Murray Rothbard and we have a very succinct definition of the role his economics plays within capitalism. There are differences. The key one was that while Willard wanted permanent servitude, Rothbard sought a temporary form and allowed the worker to change masters. While Willard turned to the whip and the state, Rothbard turned to absolute private property and the capitalist market to ensure that workers had to sell their liberty to the boss class (unsurprisingly,

as Willard lived in an economy whose workers had access to land and tools while in Rothbard's time the class monopolisation of the means of life was complete and workers have little alternative but to sell their liberty to the owning class).

Rothbard did not seek to ban unions and strikes. He argued that his system of absolute property rights would simply make it nearly impossible for unions to organise or for any form of collective action to succeed. Even basic picketing would be impossible for, as Rothbard noted many a time, the pavement outside the workplace would be owned by the boss who would be as unlikely to allow picketing as he would allow a union. Thus we would have private property and economic power making collective struggle **de facto** illegal rather than the **de jure** illegality which the state has so enacted on behalf of the capitalists. As he put it, while unions were *"theoretically compatible with the existence of a purely free market"* he doubted that it would be possible as unions relied on the state to be "neutral" and tolerate their activities as they *"acquire almost all their power through the wielding of force, specifically force against strikebeakers and against the property of employers."* [**The Logic of Action II**, p. 41] Thus we find right-"libertarians" in favour of "defensive" violence (i.e., that limited to defending the property and power of the capitalists and landlords) while denouncing as violence any action of those subjected to it.

Rothbard, of course, allowed workers to leave their employment in order to seek another job if they felt exploited. Yet for all his obvious hatred of unions and strikes, Rothbard does not ask the most basic question — if there is not clash of interests between labour and capital then why do unions even exist and why do bosses always resist them (often brutally)? And why has capital always turned to the state to bolster its position in the labour market? If there were really harmony of interests between classes then capital would not have turned repeatedly to the state to crush the labour movement. For anarchists, the reasons are obvious as is why the bosses always deny any clash

It is worth quoting Noam Chomsky at length on this subject:

> *"Consider, for example, the [right-'libertarian'] 'entitlement theory of justice' ... [a]ccording to this theory, a person has a right to whatever he has acquired by means that are just. If, by luck or labour or ingenuity, a person acquires such and such, then he is entitled to keep it and dispose of it as he wills, and a just society will not infringe on this right.*
>
> *"One can easily determine where such a principle might lead. It is entirely possible that by legitimate means — say, luck supplemented by contractual arrangements 'freely undertaken' under pressure of need — one person might gain control of the necessities of life. Others are then free to sell themselves to this person as slaves, if he is willing to accept them. Otherwise, they are free to perish. Without extra question-begging conditions, the society is just.*
>
> *"The argument has all the merits of a proof that 2 + 2 = 5 ... Suppose that some concept of a 'just society' is advanced that fails to characterise the situation just described as unjust... Then one of two conclusions is in order. We may conclude that the concept is simply unimportant and of no interest as a guide to thought or action, since it fails to apply properly even in such an elementary case as this. Or we may conclude that the concept advanced is to be dismissed in that it fails to correspond to the pretheorectical notion that it intends to capture in clear cases. If our intuitive concept of justice is clear enough to rule social arrangements of the sort described as grossly unjust, then the sole interest of a demonstration that this outcome might be 'just' under a given 'theory of justice' lies in the inference by* ***reductio ad absurdum***

domination and unfreedom that both inflict on people living today!

This flows from the way "anarcho"-capitalists define "freedom," namely so that only **deliberate** acts which violate your (right-"libertarian" defined) rights by other humans beings that cause unfreedom (*"we define freedom ... as the **absence of invasion** by another man of an man's person or property."* [Rothbard, **The Ethics of Liberty**, p. 41]). This means that if no-one deliberately coerces you then you are free. In this way the workings of the capitalist private property can be placed alongside the "facts of nature" and ignored as a source of unfreedom. However, a moments thought shows that this is not the case. Both deliberate and non-deliberate acts can leave individuals lacking freedom. A simply analogy will show why.

Let us assume (in an example paraphrased from Alan Haworth's excellent book **Anti-Libertarianism** [p. 49]) that someone kidnaps you and places you down a deep (naturally formed) pit, miles from anyway, which is impossible to climb up. No one would deny that you are unfree. Let us further assume that another person walks by and accidentally falls into the pit with you. According to right-"libertarianism", while you are unfree (i.e. subject to deliberate coercion) your fellow pit-dweller is perfectly free for they have subject to the "facts of nature" and not human action (deliberate or otherwise). Or, perhaps, they "voluntarily choose" to stay in the pit, after all, it is "only" the "facts of nature" limiting their actions. But, obviously, both of you are in **exactly the same position**, have **exactly the same choices** and so are **equally** unfree! Thus a definition of "liberty" that maintains that only deliberate acts of others — for example, coercion — reduces freedom misses the point totally. In other words, freedom is path independent and the *"forces of the market cannot provide genuine conditions for freedom any more than the powers of the State. The victims of both are equally enslaved, alienated and oppressed."* [Peter Marshall, **Demanding the Impossible**, p. 565]

of interests for *"it is to the interests of capital to keep the workers from understanding that they are wage slaves. The 'identity of interest'; swindle is one of the means of doing it ... All those who profit from wage slavery are interested in keeping up the system, and all of them naturally try to prevent the workers from understanding the situation."* [Berkman, **Op. Cit.**, p. 77]

Rothbard's vociferous anti-unionism and his obvious desire to make any form of collective action by workers impossible in practice if not in law shows how economics has replaced religion as a control mechanism. In any hierarchical system it makes sense for the masters to indoctrinate the servant class with such self-serving nonsense but only capitalists have the advantage that it is proclaimed a "science" rather than, say, a religion. Yet even here, the parallels are close. As Colin Ward noted in passing, the *"so-called Libertarianism of the political Right"* is simply *"the worship of the market economy."* [**Talking Anarchy**, p. 76] So while Willard appealed to god as the basis of his natural order, Rothbard appeal to "science" was nothing of the kind given the ideological apriorism of "Austrian" economics. As a particularly scathing reviewer of one of his economics books rightly put it, the *"main point of the book is to show that the never-never land of the perfectly free market economy represents the best of all conceivable worlds giving maximum satisfaction to all participants. Whatever is, is right in the free market ... It would appear that Professor Rothbard's book is more akin to systematic theology than economics ... its real interest belongs to the student of the sociology of religion."* [D.N. Winch, **The Economic Journal**, vol. 74, No. 294, pp. 481–2]

To conclude, it is best to quote Emma Goldman's biting dismissal of the right-liberal individualism that Rothbard's ideology is just another form of. She rightly attacked that *"'rugged individualism' which is only a masked attempt to repress and defeat the individual and his individuality. So-called Individualism is the social and economic **laissez-faire**: the exploitation of the masses by classes by means of trickery, spiritual debasement and*

systematic indoctrination of the servile spirit … That corrupt and perverse 'individualism' is the strait-jacket of individuality … This 'rugged individualism' has inevitably resulted in the greatest modern slavery, the crassest class distinctions … 'Rugged individualism' has meant all the 'individualism' for the masters, while the people are regimented into a slave caste to serve a handful of self-seeking 'supermen' … [and] in whose name political tyranny and social oppression are defended and held up as virtues while every aspiration and attempt of man to gain freedom and social opportunity to live is denounced as … evil in the name of that same individualism." [**Red Emma Speaks**, p. 112]

So, to conclude. Both the history and current practice of capitalism shows that there can be no harmony of interests in an unequal society. Anyone who claims otherwise has not been paying attention.

> *in the recent past, in which millions of people have died, there was no over-all decline in food availability at all, and the famines occurred precisely because of shifts in entitlement resulting from exercises of rights that are perfectly legitimate… [Can] famines … occur with a system of rights of the kind morally defended in various ethical theories, including Nozick's[?] I believe the answer is straightforwardly yes, since for many people the only resource that they legitimately possess, viz. their labour-power, may well turn out to be unsaleable in the market, giving the person no command over food … [i]f results such as starvations and famines were to occur, would the distribution of holdings still be morally acceptable despite their disastrous consequences? There is something deeply implausible in the affirmative answer."* [**Resources, Values and Development**, pp. 311–2]

Thus "unrestricted" property rights can have seriously bad consequences and so the existence of "justly held" property need not imply a just or free society — far from it. The inequalities property can generate can have a serious on individual freedom (see section F.3). Indeed, Murray Rothbard argued that the state was evil not because it restricted individual freedom but because the resources it claimed to own were not "justly" acquired. If they were, then the state could deny freedom within its boundaries just as any other property owner could. Thus right-"libertarian" theory judges property **not** on its impact on current freedom but by looking at past history. This has the interesting side effect, as we noted in section F.1, of allowing its supporters to look at capitalist and statist hierarchies, acknowledge their similar negative effects on the liberty of those subjected to them but argue that one is legitimate and the other is not simply because of their history. As if this changed the

property rights system. Thus "anarcho"-capitalists reject totally one of the common (and so defining) features of all anarchist traditions — the opposition to capitalist property. From Individualist Anarchists like Tucker to Communist-Anarchists like Bookchin, anarchists have been opposed to what William Godwin termed *"accumulated property."* This was because it was in *"direct contradiction"* to property in the form of *"the produce of his [the worker's] own industry"* and so it allows *"one man... [to] dispos[e] of the produce of another man's industry."* [**The Anarchist Reader**, pp. 129–131]

For anarchists, capitalist property is a source exploitation and domination, **not** freedom (it undermines the freedom associated with possession by creating relations of domination between owner and employee). Hardly surprising, then, that, according to Murray Bookchin, Murray Rothbard *"attacked me as an anarchist with vigour because, as he put it, I am opposed to private property."* Bookchin, correctly, dismisses "anarcho-capitalists as *"proprietarians"* [*"A Meditation on Anarchist Ethics"*, pp. 328–346, **The Raven**, no. 28, p. 343]

We will discuss Rothbard's "homesteading" justification of private property in the next section. However, we will note here one aspect of right-"libertarian" absolute and unrestricted property rights, namely that it easily generates evil side effects such as hierarchy and starvation. As economist and famine expert Amartya Sen notes:

> *"Take a theory of entitlements based on a set of rights of 'ownership, transfer and rectification.' In this system a set of holdings of different people are judged to be just (or unjust) by looking at past history, and not by checking the consequences of that set of holdings. But what if the consequences are recognisably terrible? ...[R]efer[ing] to some empirical findings in a work on famines ... evidence [is presented] to indicate that in many large famines*

F.4 What is the right-"libertarian" position on private property?

Right-"libertarians" are not interested in eliminating capitalist private property and thus the authority, oppression and exploitation which goes with it. They make an idol of private property and claim to defend "absolute" and "unrestricted" property rights. In particular, taxation and theft are among the greatest evils possible as they involve coercion against "justly held" property. It is true that they call for an end to the state, but this is not because they are concerned about the restrictions of liberty experienced by wage slaves and tenants but because they wish capitalists and landlords not to be bothered by legal restrictions on what they can and cannot do on their property. Anarchists stress that the right-"libertarians" are not opposed to workers being exploited or oppressed (in fact, they deny that is possible under capitalism) but because they do not want the state to impede capitalist "freedom" to exploit and oppress workers even more than is the case now! Thus they *"are against the State simply because they are capitalists first and foremost."* [Peter Marshall, **Demanding the Impossible**, p. 564]

It should be obvious **why** someone is against the state matters when evaluating claims of a thinker to be included within the anarchist tradition. For example, socialist opposition to wage labour was shared by the pro-slavery advocates in the Southern States of America. The latter opposed wage labour as being worse than its chattel form because, it was argued,

the owner had an incentive to look after his property during both good and bad times while the wage worker was left to starve during the latter. This argument does not place them in the socialist camp any more than socialist opposition to wage labour made them supporters of slavery. As such, "anarcho"-capitalist and right-"libertarian" opposition to the state should not be confused with anarchist and left-libertarian opposition. The former opposes it because it restricts capitalist power, profits and property while the latter opposes it because it is a bulwark of all three.

Moreover, in the capitalist celebration of property as the source of liberty they deny or ignore the fact that private property is a source of "tyranny" in itself (as we have indicated in sections B.3 and B.4, for example). As we saw in section F.1, this leads to quite explicit (if unaware) self-contradiction by leading "anarcho"-capitalist ideologues. As Tolstoy stressed, the *"retention of the laws concerning land and property keeps the workers in slavery to the landowners and the capitalists, even though the workers are freed from taxes."* [**The Slavery of Our Times**, pp. 39–40] Hence Malatesta:

> *"One of the basic tenets of anarchism is the abolition of [class] monopoly, whether of the land, raw materials or the means of production, and consequently the abolition of exploitation of the labour of others by those who possess the means of production. The appropriation of the labour of others is from the anarchist and socialist point of view, theft."* [**Errico Malatesta: His Life and Ideas**, pp. 167–8]

As much anarchists may disagree about other matters, they are united in condemning capitalist property. Thus Proudhon argued that property was *"theft"* and *"despotism"* while Stirner indicated the religious and statist nature of private property and its impact on individual liberty when he wrote:

> *"Property in the civic sense means **sacred** property, such that I must **respect** your property. 'Respect for property!' … The position of affairs is different in the egoistic sense. I do not step shyly back from your property, but look upon it always as **my** property, in which I respect nothing. Pray do the like with what you call my property!*
>
> *"With this view we shall most easily come to an understanding with each other.*
>
> *"The political liberals are anxious that … every one be free lord on his ground, even if this ground has only so much area as can have its requirements adequately filled by the manure of one person … Be it ever so little, if one only has somewhat of his own — to wit, a **respected** property: The more such owners … the more 'free people and good patriots' has the State.*
>
> *"Political liberalism, like everything religious, counts on **respect,** humaneness, the virtues of love. Therefore does it live in incessant vexation. For in practice people respect nothing, and everyday the small possessions are bought up again by greater proprietors, and the 'free people' change into day labourers.*
>
> *"If, on the contrary, the 'small proprietors' had reflected that the great property was also theirs, they would not have respectively shut themselves out from it, and would not have been shut out … Instead of owning the world, as he might, he does not even own even the paltry point on which he turns around."* [**The Ego and Its Own**, pp. 248–9]

While different anarchists have different perspectives on what comes next, we are all critical of the current capitalist

alone" to exercise their power over others as we will see. That modern "capitalism" is, in effect, a kind of "corporate mercantilism," with states providing the conditions that allow corporations to flourish (e.g. tax breaks, subsidies, bailouts, anti-labour laws, etc.) says more about the statist roots of capitalism than the ideologically correct definition of capitalism used by its supporters.

In fact, if we look at the role of the state in creating capitalism we could be tempted to rename "anarcho"-capitalism "marxian-capitalism". This is because, given the historical evidence, a political theory can be developed by which the "dictatorship of the bourgeoisie" is created and that this capitalist state "withers away" into "anarchy". That this means replacing the economic and social ideas of Marxism and their replacement by their direct opposite should not mean that we should reject the idea (after all, that is what "anarcho"-capitalism has done to Individualist Anarchism!). But we doubt that many "anarcho"-capitalists will accept such a name change (even though this would reflect their politics far better; after all they do not object to past initiations of force, just current ones and many do seem to think that the modern state **will** wither away due to market forces).

This is suggested by the fact that Rothbard did not advocate change from below as the means of creating "anarchy." He helped found the so-called Libertarian Party in 1971 which, like Marxists, stands for political office. With the fall of Stalinism in 1989, Rothbard faced whole economies which could be "homesteaded" and he argued that *"desocialisation"* (i.e., de-nationalisation as, like Leninists, he confused socialisation with nationalisation) *"necessarily involves the action of that government surrendering its property to its private subjects ... In a deep sense, getting rid of the socialist state requires that state to perform one final, swift, glorious act of self-immolation, after which it vanishes from the scene."* (compare to Engels' comment that *"the taking possession of the means of production in*

happen if ever CD manufacturer created a unique CD player, or every computer manufacturer different sized floppy-disk drivers — little wonder, then, that over time companies standardise their products). Friedman himself acknowledges that this process is likely (and uses the example of standard paper sizes to illustrate it). Which suggests that competition would be meaningless as **all** firms would be enforcing the same (capitalist) law.

In any event, the laws would not be decided on the basis of "one person, one vote"; hence, as market forces worked their magic, the "general" law code would reflect vested interests and so be very hard to change. As rights and laws would be a commodity like everything else in capitalism, they would soon reflect the interests of the rich — particularly if those interpreting the law are wealthy professionals and companies with vested interests of their own. Little wonder that the individualist anarchists proposed "trial by jury" as the only basis for real justice in a free society. For, unlike professional "arbitrators," juries are ad hoc, made up of ordinary people and do not reflect power, authority, or the influence of wealth. And by being able to judge the law as well as a conflict, they can ensure a populist revision of laws as society progresses.

Rothbard, unsurprisingly, is at pains to dismiss the individualist anarchist idea of juries judging the law as well as the facts, stating it would give each free-market jury *"totally free rein over judicial decisions"* and this *"could not be expected to arrive at just or even libertarian decisions."* [*"The Spooner-Tucker Doctrine: An Economist's View"*, **Op. Cit.**, p.7] However, the opposite is the case as juries made up of ordinary people will be more likely to reach just decisions which place genuinely libertarian positions above a law dedicated to maintaining capitalist property and power. History is full of examples of juries acquitting people for so-called crimes against property which are the result of dire need or simply reflect class injustice. For example, during the Great Depression unemployed miners in Pennsylva-

nia *"dug small mines on company property, mined coal, trucked it to cities and sold it below the commercial rate. By 1934, 5 million tons of this 'bootleg' coal were produced by twenty thousand men using four thousand vehicles. When attempts were made to prosecute, local juries would not convict, local jailers would not imprison."* [Howard Zinn, **A People's History of the United States**, pp. 385–6] It is precisely this outcome which causes Rothbard to reject that system.

Thus Rothbard postulated a **judge** directed system of laws in stark contrast to individualist anarchism's **jury** directed system. It is understandable that Rothbard would seek to replace juries with judges, it is the only way he can exclude the general population from having a say in the laws they are subjected to. Juries allow the general public to judge the law as well as any crime and so this would allow those aspects "corrected" by right-"libertarians" to seep back into the "common law" and so make private property and power accountable to the general public rather than vice versa. Moreover, concepts of right and wrong evolve over time and in line with changes in socio-economic conditions. To have a "common law" which is unchanging means that social evolution is considered to have stopped when Murray Rothbard decided to call his ideology "anarcho"-capitalism.

In a genuinely libertarian system, social customs (common law) would evolve based on what the general population thought was right and wrong based on changing social institutions and relationships between individuals. That is why ruling classes have always sought to replace it with state determined and enforced laws. Changing social norms and institutions can be seen from property. As Proudhon noted, property *"changed its nature"* over time. Originally, *"the word **property** was synonymous with ... **individual possession**"* but it became more *"complex"* and turned into **private property** — *"the right to use it by his neighbour's labour."* [**What is Property?**, p. 395] The changing nature of property created relations of domination

not just happen to be here, passively benefiting from statism and authoritarianism. Rather they choose **between** states to locate in based precisely on the cheapness of the labour supply. In other words, they prefer to locate in dictatorships and authoritarian regimes in Central America and Southeast Asia **because** those regimes interfere in the labour market the most — while, of course, talking about the very "free market" and "economic liberty" those regimes deny to their subjects. For Rothbard, this seems to be just a coincidence or a correlation rather than systematic for the collusion between state and business is the fault, not of capitalism, but simply of particular capitalists. The system, in other words, is pure; only individuals are corrupt. But, for anarchists, the origins of the modern capitalist system lies not in the individual qualities of capitalists as such but in the dynamic and evolution of capitalism itself — a complex interaction of class interest, class struggle, social defence against the destructive actions of the market, individual qualities and so forth. In other words, Rothbard's claims are flawed — they fail to understand capitalism as a **system**, its dynamic nature and the authoritarian social relationships it produces and the need for state intervention these produce and require.

So, when the right suggests that "we" be "left alone," what they mean by "we" comes into clear focus when we consider how capitalism developed. Artisans and peasants were only "left alone" to starve (sometimes not even that, as the workhouse was invented to bring vagabonds to the joy of work), and the working classes of industrial capitalism were only "left alone" outside work and for only as long as they respected the rules of their "betters." As Marx memorably put it, the *"newly freed men became sellers of themselves only after they had been robbed of all their own means of production, and all the guarantees of existence afforded by the old feudal arrangements. And this history, the history of their expropriation, is written in the annals of mankind in letters of blood and fire."* [**Op. Cit.**, p. 875] As for the other side of the class divide, they desired to be "left

rived from the surplus originating on the southern plantations." [Perelman, **Op. Cit.**, p. 246] In terms of the wage workers in the North, they have been indirectly exploited by the existence of slavery as the investment this allowed reduced their bargaining power on the market as it reduced their ability to set up business for themselves by increasing the fixed costs of so doing. And what of the investment generated by the exploitation of these wage workers? As Mark Leier points out, the capitalists and landlords *"may have purchased the land and machinery, but this money represented nothing more than the expropriated labour of others."* [**Bakunin**, p. 111] If the land should be returned to those who worked it as Rothbard suggests, why not the industrial empires that were created on the backs of the generations of slaves who worked it? And what of the profits made from the generations of wage slaves who worked on these investments? And what of the investments which these profits allowed? Surely if the land should be given to those who worked it then so must any investments it generated? And assuming that those currently employed can rightly seize their workplaces, what about those previously employed and **their** descendants? Why should they be excluded from the riches their ancestors helped create?

To talk in terms of individuals misses all this and the net result is to ensure that the results of centuries of coercion and theft are undisturbed. This is because it is the working class **as a whole** who have been expropriated and whose labour has been exploited. The actual individuals involved and their descendants would be impossible to identify nor would it be possible to track down how the stolen fruits of their labour were invested. In this way, the class theft of our planet and liberty as well as the products of generations of working class people will continue safely.

Needless to say, some governments interfere in the economy more than others. Corporations do not invest in or buy from suppliers based in authoritarian regimes by accident. They do

and exploitation between people absent before. For the capitalist, however, both the tools of the self-employed artisan and the capital of a transnational corporation are both forms of "property" and so basically identical. Changing social relations impact on society and the individuals who make it up. This would be reflected in any genuinely libertarian society, something right-"libertarians" are aware of. They, therefore, seek to freeze the rights framework and legal system to protect institutions, like property, no matter how they evolve and come to replace whatever freedom enhancing features they had with oppression. Hence we find Rothbard's mentor, Ludwig von Mises asserting that *"[t]here may possibly be a difference of opinion about whether a particular institution is socially beneficial or harmful. But once it has been judged [by whom?] beneficial, one can no longer contend that, for some inexplicable reason, it must be condemned as immoral."* [**Liberalism**, p. 34] Rothbard's system is designed to ensure that the general population cannot judge whether a particular institution has changed is social impact. Thus a system of "defence" on the capitalist market will continue to reflect the influence and power of property owners and wealth and not be subject to popular control beyond choosing between companies to enforce the capitalist laws.

Ultimately, such an "anarcho"-capitalist system would be based on simple absolute principles decided in advance by a small group of ideological leaders. We are then expected to live with the consequences as best we can. If people end up in a worse condition than before then that is irrelevant as that we have enforced the eternal principles they have proclaimed as being in our best interests.

F.6.2 What are the social consequences of such a system?

The "anarcho" capitalist imagines that there will be police agencies, "defence associations," courts, and appeals courts all organised on a free-market basis and available for hire. As David Wieck points out, however, the major problem with such a system would not be the corruption of "private" courts and police forces (although, as suggested above, this could indeed be a problem):

> *"There is something more serious than the 'Mafia danger', and this other problem concerns the role of such 'defence' institutions in a given social and economic context.*
>
> *"[The] context ... is one of a free-market economy with no restraints upon accumulation of property. Now, we had an American experience, roughly from the end of the Civil War to the 1930's, in what were in effect private courts, private police, indeed private governments. We had the experience of the (private) Pinkerton police which, by its spies, by its **agents provocateurs**, and by methods that included violence and kidnapping, was one of the most powerful tools of large corporations and an instrument of oppression of working people. We had the experience as well of the police forces established to the same end, within corporations, by numerous companies ... (The automobile companies drew upon additional covert instruments of a private nature, usually termed vigilante, such as the Black Legion). These were, in effect, private armies, and were sometimes described as such. The territories owned by coal companies, which frequently included entire towns and their environs, the stores the miners were obliged by*

ucts of the workers who use it. He considered the *"moral indignation"* of socialism arose from the argument *"that the capitalists have stolen the rightful property of the workers, and therefore that existing titles to accumulated capital are unjust."* He argued that given *"this hypothesis, the remainder of the impetus for both Marxism and anarchosyndicalism follow quite logically."* However, Rothbard's "solution" to the problem of past force seems to be (essentially) a justification of existing property titles and not a serious attempt to understand or correct past initiations of force that have shaped society into a capitalist one and still shape it today. This is because he is simply concerned with returning property which has been obviously stolen and can be returned to those who have been directly dispossessed or their descendants (for example, giving land back to peasants or tenant farmers). If this cannot be done then the *"title to that property, belongs properly, justly and ethically to its current possessors."* [**Op. Cit.**, p. 52 and p. 57] At best, he allows nationalised property and any corporation which has the bulk of its income coming from the state to be "homesteaded" by their workers (which, according to Rothbard's arguments for the end of Stalinism, means they will get shares in the company). The end result of his theory is to leave things pretty much as they are. This is because he could not understand that the exploitation of the working class was/is collective in nature and, as such, is simply impossible to redress it in his individualistic term of reference.

To take an obvious example, if the profits of slavery in the Southern states of America were used to invest in factories in the Northern states (as they were), does giving the land to the freed slaves in 1865 **really** signify the end of the injustice that situation produced? Surely the products of the slaves work were stolen property just as much as the land was and, as a result, so is any investment made from it? After all, investment elsewhere was based on the profits extracted from slave labour and *"much of the profits earned in the northern states were de-*

production and investment in any real economy. State action supported by sectors of the capitalist class has, to use economic jargon, positive externalities for the rest. They, in general, benefit from it ***as a class*** just as working class people suffers from it collectively as it limits their available choices to those desired by their economic and political masters (usually the same people). As such, the right-"libertarian" fails to understand the **class** basis of state intervention.

For example, the owners of the American steel and other companies who grew rich and their companies big behind protectionist walls were obviously "bad" bourgeoisie. But were the bourgeoisie who supplied the steel companies with coal, machinery, food, "defence" and so on not also benefiting from state action? And the suppliers of the luxury goods to the wealthy steel company owners, did they not benefit from state action? Or the suppliers of commodities to the workers that laboured in the steel factories that the tariffs made possible, did they not benefit? And the suppliers to these suppliers? And the suppliers to these suppliers? Did not the users of technology first introduced into industry by companies protected by state orders also not benefit? Did not the capitalists who had a large pool of landless working class people to select from benefit from the "land monopoly" even though they may not have, unlike other capitalists, directly advocated it? It increased the pool of wage labour for **all** capitalists and increased their bargaining position/power in the labour market at the expense of the working class. In other words, such a policy helped maintain capitalist market power, irrespective of whether individual capitalists encouraged politicians to vote to create/maintain it. And, similarly, **all** American capitalists benefited from the changes in common law to recognise and protect capitalist private property and rights that the state enforced during the 19th century (see section B.2.5).

Rothbard, in other words, ignores class theft and the accumulative effect of stealing both productive property and the prod-

> *economic coercion to patronise, the houses they lived in, were commonly policed by the private police of the United States Steel Corporation or whatever company owned the properties. The chief practical function of these police was, of course, to prevent labour organisation and preserve a certain balance of 'bargaining.' ... These complexes were a law unto themselves, powerful enough to ignore, when they did not purchase, the governments of various jurisdictions of the American federal system. This industrial system was, at the time, often characterised as feudalism."* [**Anarchist Justice**, pp. 223–224]

For a description of the weaponry and activities of these private armies, the Marxist economic historian Maurice Dobb presents an excellent summary in **Studies in Capitalist Development**. [pp. 353–357] According to a report on *"Private Police Systems"* quoted by Dobb, in a town dominated by Republican Steel the *"civil liberties and the rights of labour were suppressed by company police. Union organisers were driven out of town."* Company towns had their own (company-run) money, stores, houses and jails and many corporations had machine-guns and tear-gas along with the usual shot-guns, rifles and revolvers. The *"usurpation of police powers by privately paid 'guards and 'deputies', often hired from detective agencies, many with criminal records"* was *"a general practice in many parts of the country."*

The local (state-run) law enforcement agencies turned a blind-eye to what was going on (after all, the workers **had** broken their contracts and so were "criminal aggressors" against the companies) even when union members and strikers were beaten and killed. The workers own defence organisations (unions) were the only ones willing to help them, and if the workers seemed to be winning then troops were called in to "restore the peace" (as happened in the Ludlow strike, when strik-

ers originally cheered the troops as they thought they would defend them; needless to say, they were wrong).

Here we have a society which is claimed by many "anarcho"-capitalists as one of the closest examples to their "ideal," with limited state intervention, free reign for property owners, etc. What happened? The rich reduced the working class to a serf-like existence, capitalist production undermined independent producers (much to the annoyance of individualist anarchists at the time), and the result was the emergence of the corporate America that "anarcho"-capitalists (sometimes) say they oppose.

Are we to expect that "anarcho"-capitalism will be different? That, unlike before, "defence" firms will intervene on behalf of strikers? Given that the *"general libertarian law code"* will be enforcing capitalist property rights, workers will be in exactly the same situation as they were then. Support of strikers violating property rights would be a violation of the law and be costly for profit making firms to do (if not dangerous as they could be "outlawed" by the rest). This suggests that "anarcho"-capitalism will extend extensive rights and powers to bosses, but few if any rights to rebellious workers. And this difference in power is enshrined within the fundamental institutions of the system. This can easily be seen from Rothbard's numerous anti-union tirades and his obvious hatred of them, strikes and pickets (which he habitually labelled as violent). As such it is not surprising to discover that Rothbard complained in the 1960s that, because of the Wagner Act, the American police *"commonly remain 'neutral' when strike-breakers are molested or else blame the strike-breakers for 'provoking' the attacks on them ... When unions are permitted to resort to violence, the state or other enforcing agency has implicitly delegated this power to the unions. The unions, then, have become 'private states.'"* [**The Logic of Action II**, p. 41] The role of the police was to back the property owner against their rebel workers, in other words, and the state was failing to provide the appropriate service (of

(employed or unemployed). As such, while their advice and rhetoric may have changed, the social role of economists has not. State action was required to dispossess the direct producers from the means of life (particularly the land) and to reduce the real wage of workers so that they have to provide regular work in a obedient manner. In this, it and the capitalists received much advice from the earliest economists as Marxist economic historian Michael Perelman documents in great detail. As he summarises, *"classical political economy was concerned with promoting primitive accumulation in order to foster capitalist development, even though the logic of primitive accumulation was in direct conflict with the classical political economists' purported adherence to the values of laissez-faire."* [**The Invention of Capitalism**, p. 12] The turn to "laissez-faire" was possible because direct state power could be mostly replaced by economic power to ensure the dependency of the working class.

Needless to say, some right-"libertarians" recognise that the state played **some** role in economic life in the rise and development of capitalism. So they contrast "bad" business people (who took state aid) and "good" ones (who did not). Thus Rothbard's comment that Marxists have *"made no particular distinction between 'bourgeoisie' who made use of the state, and bourgeoisie who acted on the free market."* [**The Ethics of Liberty**, p. 72] But such an argument is nonsense as it ignores the fact that the "free market" is a network (and defined by the state by the property rights it enforces). This means that state intervention in one part of the economy will have ramifications in other parts, particularly if the state action in question is the expropriation and/or protection of productive resources (land and workplaces) or the skewing of the labour market in favour of the bosses. In other words, the individualistic perspective of "anarcho"-capitalism blinds its proponents to the obvious collective nature of working class exploitation and oppression which flows from the collective and interconnected nature of

oping such a system. As one critic of right-"libertarian" ideas put it, Rothbard *"completely overlooks the role of the state in building and maintaining a capitalist economy in the West. Privileged to live in the twentieth century, long after the battles to establish capitalism have been fought and won, Rothbard sees the state solely as a burden on the market and a vehicle for imposing the still greater burden of socialism. He manifests a kind of historical nearsightedness that allows him to collapse many centuries of human experience into one long night of tyranny that ended only with the invention of the free market and its 'spontaneous' triumph over the past. It is pointless to argue, as Rothbard seems ready to do, that capitalism would have succeeded without the bourgeois state; the fact is that all capitalist nations have relied on the machinery of government to create and preserve the political and legal environments required by their economic system."* That, of course, has not stopped him *"critis[ing] others for being unhistorical."* [Stephen L. Newman, **Liberalism at Wit's End**, pp. 77–8 and p. 79]

Thus we have a key contradiction within "anarcho"-capitalism. While they bemoan state intervention in the market, their underlying assumption is that it had no real effect on how society has evolved over the centuries. By a remarkable coincidence, the net effect of all this state intervention was to produce a capitalist economy identical in all features as one which would have been produced if society had been left alone to evolve naturally. It does seem strange that state violence would happen to produce the same economic system as that produced by right-"libertarians" and Austrian economists logically deducing concepts from a few basic axioms and assumptions. Even more of a coincidence, these conclusions also happen to be almost exactly the same as what those who have benefited from previous state coercion want to hear — namely, the private property is good, trade unions and strikes are bad, that the state should not interfere with the power of the bosses and should not even think about helping the working class

course, that bosses exercising power over workers provoked the strike is irrelevant, while private police attacking picket lines is purely a form of "defensive" violence and is, likewise, of no concern).

In evaluating "anarcho"-capitalism's claim to be a form of anarchism, Peter Marshall notes that *"private protection agencies would merely serve the interests of their paymasters."* [**Demanding the Impossible**, p. 653] With the increase of private "defence associations" under "really existing capitalism" today (associations that many "anarcho"-capitalists point to as examples of their ideas), we see a vindication of Marshall's claim. There have been many documented experiences of protesters being badly beaten by private security guards. As far as market theory goes, the companies are only supplying what the buyer is demanding. The rights of others are **not a factor** (yet more "externalities," obviously). Even if the victims successfully sue the company, the message is clear — social activism can seriously damage your health. With a reversion to *"a general libertarian law code"* enforced by private companies, this form of "defence" of "absolute" property rights can only increase, perhaps to the levels previously attained in the heyday of US capitalism, as described above by Wieck.

F.6.3 But surely market forces will stop abuses by the rich?

Unlikely. The rise of corporations within America indicates exactly how a *"general libertarian law code"* would reflect the interests of the rich and powerful. The laws recognising corporations as "legal persons" were **not** primarily a product of "the state" but of private lawyers hired by the rich. As Howard Zinn notes:

> *"the American Bar Association, organised by lawyers accustomed to serving the wealthy, began a national campaign of education to reverse the [Supreme] Court decision [that companies could not be considered as a person]... By 1886, they succeeded ... the Supreme Court had accepted the argument that corporations were 'persons' and their money was property protected by the process clause of the Fourteenth Amendment ... The justices of the Supreme Court were not simply interpreters of the Constitution. They were men of certain backgrounds, of certain [class] interests."* [**A People's History of the United States**, p. 255]

Of course it will be argued that the Supreme Court is chosen by the government and is a state enforced monopoly and so our analysis is flawed. Yet this is not the case. As Rothbard made clear, the *"general libertarian law code"* would be created by lawyers and jurists and everyone would be expected to obey it. Why expect **these** lawyers and jurists to be any less class conscious then those in the 19th century? If the Supreme Court *"was doing its bit for the ruling elite"* then why would those creating the law system be any different? *"How could it be neutral between rich and poor,"* argues Zinn, *"when its members were often former wealthy lawyers, and almost always came from the upper class?"* [**Op. Cit.**, p. 254] Moreover, the corporate laws came about because there was a demand for them. That demand would still have existed in "anarcho"-capitalism. Now, while there may nor be a Supreme Court, Rothbard does maintain that *"the basic Law Code ... would have to be agreed upon by all the judicial agencies"* but he maintains that this *"would imply no unified legal system"*! Even though *"[a]ny agencies that transgressed the basic libertarian law code would be open outlaws"* and soon crushed this is **not**, apparently, a monopoly. [**The Ethics of Liberty**, p. 234] So, you either agree to the law

quired to produce the "free" worker who makes a "voluntary" agreement which is compelled by the social conditions that this created.

The history of state coercion and intervention is inseparable from the history of capitalism: it is contradictory to celebrate the latter while claiming to condemn the former. In practice capitalism has **always** meant intervention in markets to aid business and the rich. That is, what has been called by supporters of capitalism "laissez-faire" was nothing of the kind and represented the political-economic program of a specific fraction of the capitalist class rather than a set of principles of "hands off the market." As individualist anarchist Kevin Carson summaries, *"what is nostalgically called 'laissez-faire' was in fact a system of continuing state intervention to subsidise accumulation, guarantee privilege, and maintain work discipline."* [**The Iron Fist behind the Invisible Hand**] Moreover, there is the apparent unwillingness by such "free market" advocates (i.e. supporters of "free market" capitalism) to distinguish between historically and currently unfree capitalism and the other truly free market economy that they claim to desire. It is common to hear "anarcho"-capitalists point to the state-based capitalist system as vindication of their views (and even more surreal to see them point to **pre**-capitalist systems as examples of their ideology). It should be obvious that they cannot have it both ways.

In other words, Rothbard and other "anarcho"-capitalists treat capitalism as if it were the natural order of things rather than being the product of centuries of capitalist capture and use of state power to further their own interests. The fact that past uses of state power have allowed capitalist norms and assumptions to become the default system by their codification in property law and justified by bourgeois economic does not make it natural. The role of the state in the construction of a capitalist economy cannot be ignored or downplayed as government has always been an instrument in creating and devel-

Such state interference in the economy is often denounced and dismissed by right-"libertarians" as mercantilism. However, to claim that "mercantilism" is not capitalism makes little sense. Without mercantilism, "proper" capitalism would never have developed, and any attempt to divorce a social system from its roots is ahistoric and makes a mockery of critical thought (particularly as "proper" capitalism turns to mercantilism regularly).

Similarly, it is somewhat ironic when "anarcho"-capitalists and other right "libertarians" claim that they support the freedom of individuals to choose how to live. After all, the working class was not given **that** particular choice when capitalism was developing. Instead, their right to choose their own way of life was constantly violated and denied — and justified by the leading capitalist economists of the time. To achieve this, state violence had one overall aim, to dispossess the labouring people from access to the means of life (particularly the land) and make them dependent on landlords and capitalists to earn a living. The state coercion *"which creates the capital-relation can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labour; it is a process which operates two transformations, whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-labourers. So-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production."* [Marx, **Op. Cit.**, pp. 874–5] So to claim that **now** (after capitalism has been created) we get the chance to try and live as we like is insulting in the extreme. The available options we have are not independent of the society we live in and are decisively shaped by the past. To claim we are "free" to live as we like (within the laws of capitalism, of course) is basically to argue that we are able (in theory) to "buy" the freedom that every individual is due from those who have stolen it from us in the first place. It ignores the centuries of state violence re-

code or you go out of business. And that is **not** a monopoly! Therefore, we think, our comments on the Supreme Court are valid (see also section F.7.2).

If all the available defence firms enforce the same laws, then it can hardly be called "competitive"! And if this is the case (and it is) *"when private wealth is uncontrolled, then a police-judicial complex enjoying a clientele of wealthy corporations whose motto is self-interest is hardly an innocuous social force controllable by the possibility of forming or affiliating with competing 'companies.'"* [Wieck, **Op. Cit.**, p. 225] This is particularly true if these companies are themselves Big Business and so have a large impact on the laws they are enforcing. If the law code recognises and protects capitalist power, property and wealth as fundamental **any** attempt to change this is "initiation of force" and so the power of the rich is written into the system from the start!

(And, we must add, if there is a general libertarian law code to which all must subscribe, where does that put customer demand? If people demand a non-libertarian law code, will defence firms refuse to supply it? If so, will not new firms, looking for profit, spring up that will supply what is being demanded? And will that not put them in direct conflict with the existing, pro-general law code ones? And will a market in law codes not just reflect economic power and wealth? David Friedman, who is for a market in law codes, argues that *"[i]f almost everyone believes strongly that heroin addiction is so horrible that it should not be permitted anywhere under any circumstances anarcho-capitalist institutions will produce laws against heroin. Laws are being produced on the market, and that is what the market wants."* And he adds that *"market demands are in dollars, not votes. The legality of heroin will be determined, not by how many are for or against but how high a cost each side is willing to bear in order to get its way."* [**The Machinery of Freedom**, p. 127] And, as the market is less than equal in terms of income and wealth, such a position will mean that the capitalist class

will have a higher effective demand than the working class and more resources to pay for any conflicts that arise. Thus any law codes that develop will tend to reflect the interests of the wealthy.)

Which brings us nicely on to the next problem regarding market forces.

As well as the obvious influence of economic interests and differences in wealth, another problem faces the "free market" justice of "anarcho"-capitalism. This is the *"general libertarian law code"* itself. Even if we assume that the system actually works like it should in theory, the simple fact remains that these "defence companies" are enforcing laws which explicitly defend capitalist property (and so social relations). Capitalists own the means of production upon which they hire wage-labourers to work and this is an inequality established **prior** to any specific transaction in the labour market. This inequality reflects itself in terms of differences in power within (and outside) the company and in the "law code" of "anarcho"-capitalism which protects that power against the dispossessed.

In other words, the law code within which the defence companies work assumes that capitalist property is legitimate and that force can legitimately be used to defend it. This means that, in effect, "anarcho"-capitalism is based on a monopoly of law, a monopoly which explicitly exists to defend the power and capital of the wealthy. The major difference is that the agencies used to protect that wealth will be in a weaker position to act independently of their pay-masters. Unlike the state, the "defence" firm is not remotely accountable to the general population and cannot be used to equalise even slightly the power relationships between worker and capitalist (as the state has, on occasion done, due to public pressure and to preserve the system as a whole). And, needless to say, it is very likely that the private police forces **will** give preferential treatment to their wealthier customers (which business does not?) and that the law code will reflect the interests of the wealthier sectors of so-

used to justify the privileges of the upper classes." [**The State**, pp. 5–6] As Individualist anarchist Kevin Carson summarised as part of his excellent overview of this historic process:

> *"Capitalism has never been established by means of the free market. It has always been established by a revolution from above, imposed by a ruling class with its origins in the Old Regime ... by a pre-capitalist ruling class that had been transformed in a capitalist manner. In England, it was the landed aristocracy; in France, Napoleon III's bureaucracy; in Germany, the Junkers; in Japan, the Meiji. In America, the closest approach to a 'natural' bourgeois evolution, industrialisation was carried out by a mercantilist aristocracy of Federalist shipping magnates and landlords."* [*"Primitive Accumulation and the Rise of Capitalism,"* **Studies in Mutualist Political Economy**]

This, the actual history of capitalism, will be discussed in the following sections. So it is ironic to hear right-"libertarians" sing the praises of a capitalism that never existed and urge its adoption by all nations, in spite of the historical evidence suggesting that only state intervention made capitalist economies viable — even in that Mecca of "free enterprise," the United States. As Noam Chomsky argues, *"who but a lunatic could have opposed the development of a textile industry in New England in the early nineteenth century, when British textile production was so much more efficient that half the New England industrial sector would have gone bankrupt without very high protective tariffs, thus terminating industrial development in the United States? Or the high tariffs that radically undermined economic efficiency to allow the United States to develop steel and other manufacturing capacities? Or the gross distortions of the market that created modern electronics?"* [**World Orders, Old and New**, p. 168]

> *have shown how it is nourished by the blood of the worker, and how little by little it has conquered the whole world ... Law ... has followed the same phases as capital ... they have advanced hand in hand, sustaining one another with the suffering of mankind."* [**Op. Cit.**, p. 207]

This process is what Karl Marx termed ***"primitive accumulation"*** and was marked by extensive state violence. Capitalism, as he memorably put it, *"comes dripping from head to toe, from every pore, with blood and dirt"* and the *"starting-point of the development that gave rise both to the wage-labourer and to the capitalist was the enslavement of the worker."* [**Capital**, vol. 1, p. 926 and p. 875] Or, if Kropotkin and Marx seem too committed to be fair, we have John Stuart Mill's summary that the *"social arrangements of modern Europe commenced from a distribution of property which was the result, not of just partition, or acquisition by industry, but of conquest and violence."* [**Principles of Political Economy**, p. 15]

The same can be said of all countries. As such, when supporters of "libertarian" capitalism say they are against the "initiation of force," they mean only **new** initiations of force: for the system they support was born from numerous initiations of force in the past (moreover, it also requires state intervention to keep it going — section D.1 addresses this point in some detail). Indeed, many thinkers have argued that it was precisely this state support and coercion (particularly the separation of people from the land) that played the **key** role in allowing capitalism to develop rather than the theory that *"previous savings"* did so. As left-wing German thinker Franz Oppenheimer (whom Murray Rothbard selectively quoted) argued, *"the concept of a 'primitive accumulation,' or an original store of wealth, in land and in movable property, brought about by means of purely economic forces"* while *"seem[ing] quite plausible"* is in fact *"utterly mistaken; it is a 'fairly tale,' or it is a class theory*

ciety (particularly if prosperous judges administer that code) in reality, even if not in theory. Since, in capitalist practice, "the customer is always right," the best-paying customers will get their way in "anarcho"-capitalist society.

For example, in chapter 29 of **The Machinery of Freedom**, David Friedman presents an example of how a clash of different law codes could be resolved by a bargaining process (the law in question is the death penalty). This process would involve one defence firm giving a sum of money to the other for them accepting the appropriate (anti/pro capital punishment) court. Friedman claims that *"[a]s in any good trade, everyone gains"* but this is obviously not true. Assuming the anti-capital punishment defence firm pays the pro one to accept an anti-capital punishment court, then, yes, both defence firms have made money and so are happy, so are the anti-capital punishment consumers but the pro-death penalty customers have only (perhaps) received a cut in their bills. Their desire to see criminals hanged (for whatever reason) has been ignored (if they were not in favour of the death penalty, they would not have subscribed to that company). Friedman claims that the deal, by allowing the anti-death penalty firm to cut its costs, will ensure that it *"keep its customers and even get more"* but this is just an assumption. It is just as likely to loose customers to a defence firm that refuses to compromise (and has the resources to back it up). Friedman's assumption that lower costs will automatically win over people's passions is unfounded as is the assumption that both firms have equal resources and bargaining power. If the pro-capital punishment firm demands more than the anti can provide and has larger weaponry and troops, then the anti defence firm may have to agree to let the pro one have its way. So, all in all, it is **not** clear that *"everyone gains"* — there may be a sizeable percentage of those involved who do not "gain" as their desire for capital punishment is traded away by those who claimed they would enforce it. This may, in turn,

produce a demand for defence firms which do **not** compromise with obvious implications for public peace.

In other words, a system of competing law codes and privatised rights does not ensure that **all** individual interests are meet. Given unequal resources within society, it is clear that the "effective demand" of the parties involved to see their law codes enforced is drastically different. The wealthy head of a transnational corporation will have far more resources available to him to pay for **his** laws to be enforced than one of his employees on the assembly line. Moreover, as we noted in section F.3.1, the labour market is usually skewed in favour of capitalists. This means that workers have to compromise to get work and such compromises may involve agreeing to join a specific "defence" firm or not join one at all (just as workers are often forced to sign non-union contracts today in order to get work). In other words, a privatised law system is very likely to skew the enforcement of laws in line with the skewing of income and wealth in society. At the very least, unlike every other market, the customer is **not** guaranteed to get exactly what they demand simply because the product they "consume" is dependent on others within the same market to ensure its supply. The unique workings of the law/defence market are such as to deny customer choice (we will discuss other aspects of this unique market shortly). Wieck summed by pointing out the obvious:

> *"any judicial system is going to exist in the context of economic institutions. If there are gross inequalities of power in the economic and social domains, one has to imagine society as strangely compartmentalised in order to believe that those inequalities will fail to reflect themselves in the judicial and legal domain, and that the economically powerful will be unable to manipulate the legal and judicial system to their advantage. To abstract from such influences of*

F.8 What role did the state take in the creation of capitalism?

If the "anarcho"-capitalist is to claim with any plausibility that "real" capitalism is non-statist or that it can exist without a state, it must be shown that capitalism evolved naturally, in opposition to state intervention. In reality, the opposite is the case. Capitalism was born from state intervention. In the words of Kropotkin, *"the State ... and capitalism ... developed side by side, mutually supporting and re-enforcing each other."* [**Anarchism**, p. 181]

Numerous writers have made this point. For example, in Karl Polanyi's flawed masterpiece **The Great Transformation** we read that *"the road to the free market was opened and kept open by an enormous increase in continuous, centrally organised and controlled interventionism"* by the state. [p. 140] This intervention took many forms — for example, state support during "mercantilism," which allowed the "manufactures" (i.e. industry) to survive and develop, enclosures of common land, and so forth. In addition, the slave trade, the invasion and brutal conquest of the Americas and other "primitive" nations, and the looting of gold, slaves, and raw materials from abroad also enriched the European economy, giving the development of capitalism an added boost. Thus Kropotkin:

> *"The history of the genesis of capital has already been told by socialists many times. They have described how it was born of war and pillage, of slavery and serfdom, of modern fraud and exploitation. They*

have a monopoly of decision making power over their property. As such, they can simply refuse to recognise any democratic agency as a legitimate defence association and use the same tactics perfected against unions to ensure that it does not gain a foothold in their domain.

Clearly, then, a "right-wing" anarchism is impossible as any system based on capitalist property rights will simply be an oligarchy run by and for the wealthy. As Rothbard notes, any defence agency based on democratic principles will not survive in the "market" for defence simply because it does not allow the wealthy to control it and its decisions. Little wonder Proudhon argued that laissez-faire capitalism meant *"the victory of the strong over the weak, of those who own property over those who own nothing."* [quoted by Peter Marshall, **Demanding the Impossible**, p. 259]

> *context, and then consider the merits of an abstract judicial system... is to follow a method that is not likely to take us far. This, by the way, is a criticism that applies...to any theory that relies on a rule of law to override the tendencies inherent in a given social and economic system"* [**Op. Cit.**, p. 225]

There is another reason why "market forces" will not stop abuse by the rich, or indeed stop the system from turning from private to public statism. This is due to the nature of the "defence" market (for a similar analysis of the "defence" market see right-"libertarian" economist Tyler Cowen's *"Law as a Public Good: The Economics of Anarchy"* [**Economics and Philosophy**, no. 8 (1992), pp. 249–267] and *"Rejoinder to David Friedman on the Economics of Anarchy"* [**Economics and Philosophy**, no. 10 (1994), pp. 329–332]). In "anarcho"-capitalist theory it is assumed that the competing "defence companies" have a vested interest in peacefully settling differences between themselves by means of arbitration. In order to be competitive on the market, companies will have to co-operate via contractual relations otherwise the higher price associated with conflict will make the company uncompetitive and it will go under. Those companies that ignore decisions made in arbitration would be outlawed by others, ostracised and their rulings ignored. By this process, it is argued, a system of competing "defence" companies will be stable and not turn into a civil war between agencies with each enforcing the interests of their clients against others by force.

However, there is a catch. Unlike every other market, the businesses in competition in the "defence" industry **must** co-operate with its fellows in order to provide its services for its customers. They need to be able to agree to courts and judges, agree to abide by decisions and law codes and so forth. In economics there are other, more accurate, terms to describe co-operative activity between companies: collusion and cartels.

These are when companies in a specific market agree to work together (co-operate) to restrict competition and reap the benefits of monopoly power by working to achieve the same ends in partnership with each other. By stressing the co-operative nature of the "defence" market, "anarcho"-capitalists are implicitly acknowledging that collusion is built into the system. The necessary contractual relations between agencies in the "protection" market require that firms co-operate and, by so doing, to behave (effectively) as one large firm (and so resemble a normal state even more than they already do). Quoting Adam Smith seems appropriate here: *"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."* [**The Wealth of Nations**, p. 117] Having a market based on people of the same trade co-operating seems, therefore, an unwise move.

For example, when buying food it does not matter whether the supermarkets visited have good relations with each other. The goods bought are independent of the relationships that exist between competing companies. However, in the case of private states this is **not** the case. If a specific "defence" company has bad relationships with other companies in the market then it is against a customer's self-interest to subscribe to it. Why subscribe to a private state if its judgements are ignored by the others and it has to resort to violence to be heard? This, as well as being potentially dangerous, will also push up the prices that have to be paid. Arbitration is one of the most important services a defence firm can offer its customers and its market share is based upon being able to settle interagency disputes without risk of war or uncertainty that the final outcome will not be accepted by all parties. Lose that and a company will lose market share.

Therefore, the market set-up within the "anarcho"-capitalist "defence" market is such that private states **have to co-operate** with the others (or go out of business fast) and this means col-

So **if** the law is determined and interpreted by defence agencies and courts then it will be done so by those who have invested most in these companies. As it is unlikely that the rich will invest in defence firms which do not support their property rights, power, profits and definition of property, it is clear that agencies which favour the wealthy will survive on the market. The idea that market demand will counter this class rule seems unlikely, given Rothbard's own argument. In order to compete successfully you need more than demand, you need sources of investment. If co-operative defence agencies do form, they will be at a market disadvantage due to lack of investment. As argued in section J.5.12, even though co-operatives are more efficient than capitalist firms lack of investment (caused by the lack of control by capitalists Rothbard notes) stops them replacing wage slavery. Thus capitalist wealth and power inhibits the spread of freedom in production. If we apply Rothbard's argument to his own system, we suggest that the market in "defence" will also stop the spread of more libertarian associations thanks to capitalist power and wealth. In other words, like any market, Rothbard's "defence" market will simply reflect the interests of the elite, not the masses.

Moreover, we can expect any democratic defence agency (like a union) to support, say, striking workers or squatting tenants, to be crushed. This is because, as Rothbard stresses, **all** "defence" firms would be expected to apply the *"common"* law, as written by *"Libertarian lawyers and jurists."* If they did not they would quickly be labelled "outlaw" agencies and crushed by the others. Ironically, Tucker would join Bakunin and Kropotkin in an "anarchist" court accused to violating "anarchist" law by practising and advocating "occupancy and use" rather than the approved Rothbardian property rights. Even if these democratic "defence" agencies could survive and not be driven out of the market by a combination of lack of investment and violence due to their "outlaw" status, there is another problem. As we discussed in section F.1, landlords and capitalists

> *the old co-operative government to 'wither away' through loss of customers on the market, while joint-stock (i.e., corporate) defence agencies would become the prevailing market form."* [**Power and Market**, p. 125]

Notice how he assumes that both a co-operative and corporation would be *"equal before the law."* But who determines that law? Obviously **not** a democratically elected government, as the idea of "one person, one vote" in determining the common law all are subject to is *"inefficient."* Nor does he think, like the individualist anarchists, that the law would be judged by juries along with the facts. As we note in section F.6.1, he rejected that in favour of it being determined by *"Libertarian lawyers and jurists."* Thus the law is unchangeable by ordinary people and enforced by private defence agencies hired to protect the liberty and property of the owning class. In the case of a capitalist economy, this means defending the power of landlords and capitalists against rebel tenants and workers.

This means that Rothbard's *"common Law Code"* will be determined, interpreted, enforced and amended by corporations based on the will of the majority of shareholders, i.e. the rich. That hardly seems likely to produce equality before the law. As he argues in a footnote:

> *"There is a strong* ***a priori*** *reason for believing that corporations will be superior to co-operatives in any given situation. For if each owner receives only one vote regardless of how much money he has invested in a project (and earnings are divided in the same way), there is no incentive to invest more than the next man; in fact, every incentive is the other way. This hampering of investment militates strongly against the co-operative form."* [**Op. Cit.**, p. 125]

lusion can take place. In other words, a system of private states will have to agree to work together in order to provide the service of "law enforcement" to their customers and the result of such co-operation is to create a cartel. However, unlike cartels in other industries, the "defence" cartel will be a stable body simply because its members **have** to work with their competitors in order to survive.

Let us look at what would happen after such a cartel is formed in a specific area and a new "defence company" desired to enter the market. This new company will have to work with the members of the cartel in order to provide its services to its customers (note that "anarcho"-capitalists already assume that they *"will have to"* subscribe to the same law code). If the new defence firm tries to under-cut the cartel's monopoly prices, the other companies would refuse to work with it. Having to face constant conflict or the possibility of conflict, seeing its decisions being ignored by other agencies and being uncertain what the results of a dispute would be, few would patronise the new "defence company." The new company's prices would go up and it would soon face either folding or joining the cartel. Unlike every other market, if a "defence company" does not have friendly, co-operative relations with other firms in the same industry then it will go out of business.

This means that the firms that are co-operating have simply to agree not to deal with new firms which are attempting to undermine the cartel in order for them to fail. A "cartel busting" firm goes out of business in the same way an outlaw one does — the higher costs associated with having to solve all its conflicts by force, not arbitration, increases its production costs much higher than the competitors and the firm faces insurmountable difficulties selling its products at a profit (ignoring any drop of demand due to fears of conflict by actual and potential customers). Even if we assume that many people will happily join the new firm in spite of the dangers to protect themselves against the cartel and its taxation (i.e. monopoly

profits), enough will remain members of the cartel so that co-operation will still be needed and conflict unprofitable and dangerous (and as the cartel will have more resources than the new firm, it could usually hold out longer than the new firm could). In effect, breaking the cartel may take the form of an armed revolution — as it would with any state.

The forces that break up cartels and monopolies in other industries (such as free entry — although, of course the "defence" market will be subject to oligopolistic tendencies as any other and this will create barriers to entry) do not work here and so new firms have to co-operate or loose market share and/or profits. This means that "defence companies" will reap monopoly profits and, more importantly, have a monopoly of force over a given area.

It is also likely that a multitude of cartels would develop, with a given cartel operating in a given locality. This is because law enforcement would be localised in given areas as most crime occurs where the criminal lives (few criminals would live in Glasgow and commit crimes in Paris). However, as defence companies have to co-operate to provide their services, so would the cartels. Few people live all their lives in one area and so firms from different cartels would come into contact, so forming a cartel of cartels. This cartel of cartels may (perhaps) be less powerful than a local cartel, but it would still be required and for exactly the same reasons a local one is. Therefore "anarcho"-capitalism would, like "actually existing capitalism," be marked by a series of public states covering given areas, co-ordinated by larger states at higher levels. Such a set up would parallel the United States in many ways except it would be run directly by wealthy shareholders without the sham of "democratic" elections. Moreover, as in the USA and other states there will still be a monopoly of rules and laws (the *"general libertarian law code"*).

Hence a monopoly of private states will develop in addition to the existing monopoly of law and this is a de facto monopoly

sions ... including of course that of political power expressed in the state." In other words, anarchism represents *"a moral commitment"* which Rothbard's position is *"diametrically opposite"* to. [**Anarchist Justice**, p. 215, p. 229 and p. 234]

It is a shame that some academics consider only the word Rothbard uses as relevant rather than the content and its relation to anarchist theory and history. If they did, they would soon realise that the expressed opposition of so many anarchists to "anarcho"-capitalism is something which cannot be ignored or dismissed. In other words, a "right-wing" anarchist cannot and does not exist, no matter how often sections of the right try to use that word to describe their ideology.

The reason is simple. Anarchist economics and politics cannot be artificially separated. They are intrinsically linked. Godwin and Proudhon did not stop their analysis at the state. They extended it the social relationships produced by inequality of wealth, i.e. economic power as well as political power. To see why, we need only consult Rothbard's work. As noted in the last section, for Rothbard the key issue with the "voluntary taxationists" was not who determined the *"body of absolute law"* but rather who enforced it. In his discussion, he argued that a democratic "defence agency" is at a disadvantage in his "free market" system. As he put it:

> *"It would, in fact, be competing at a severe disadvantage, having been established on the principle of 'democratic voting.' Looked at as a market phenomenon, 'democratic voting' (one vote per person) is simply the method of the consumer 'co-operative.' Empirically, it has been demonstrated time and again that co-operatives cannot compete successfully against stock-owned companies, especially when both are equal before the law. There is no reason to believe that co-operatives for defence would be any more efficient. Hence, we may expect*

curate, it would also have lead to much less confusion and no need to write this section of the FAQ! It is a testament to their lack of common sense that Rothbard and other "anarcho"-capitalists failed to recognise that, given a long-existing socio-political theory and movement called anarchism, they could not possibly call themselves "anarchists" without conflating of their own views with those of the existing tradition. Yet rather than introducing a new term into political vocabulary (or using Molinari's terminology) they preferred to try fruitlessly to appropriate a term used by others. They seemed to have forgotten that political vocabulary and usage are path dependent. Hence we get subjected to articles which talk about the new "anarchism" while trying to disassociate "anarcho"-capitalism from the genuine anarchism found in media reports and history books. As it stands, the only reason why "anarcho"-capitalism is considered a form of "anarchism" by some is because one person (Rothbard) decided to steal the name of a well established and widespread political and social theory and movement in the 1950s and apply it to an ideology with little, if anything, in common with it.

As Hart inadvertently shows, it is not a firm base to build a claim. That anyone can consider "anarcho"-capitalism as anarchist simply flows from a lack of knowledge about anarchism — as numerous anarchists have argued. For example, *"Rothbard's conjunction of anarchism with capitalism,"* according to David Wieck, *"results in a conception that is entirely outside the mainstream of anarchist theoretical writings or social movements ... this conjunction is a self-contradiction."* He stressed that *"the main traditions of anarchism are entirely different. These traditions, and theoretical writings associated with them, express the perspectives and the aspirations, and also, sometimes, the rage, of the oppressed people in human society: not only those economically oppressed, although the major anarchist movements have been mainly movements of workers and peasants, but also those oppressed by power in all those social dimen-*

of force over a given area (i.e. some kind of public state run by share holders). New companies attempting to enter the "defence" industry will have to work with the existing cartel in order to provide the services it offers to its customers. The cartel is in a dominant position and new entries into the market either become part of it or fail. This is exactly the position with the state, with "private agencies" free to operate as long as they work to the state's guidelines. As with the monopolist *"general libertarian law code"*, if you do not toe the line, you go out of business fast.

"Anarcho"-capitalists claim that this will not occur, but that the co-operation needed to provide the service of law enforcement will somehow **not** turn into collusion between companies. However, they are quick to argue that renegade "agencies" (for example, the so-called "Mafia problem" or those who reject judgements) will go out of business because of the higher costs associated with conflict and not arbitration. Yet these higher costs are ensured because the firms in question do not co-operate with others. If other agencies boycott a firm but co-operate with all the others, then the boycotted firm will be at the same disadvantage — regardless of whether it is a cartel buster or a renegade. So the "anarcho"-capitalist is trying to have it both ways. If the punishment of non-conforming firms cannot occur, then "anarcho"-capitalism will turn into a war of all against all or, at the very least, the service of social peace and law enforcement cannot be provided. If firms cannot deter others from disrupting the social peace (one service the firm provides) then "anarcho"-capitalism is not stable and will not remain orderly as agencies develop which favour the interests of their own customers and enforce their own law codes at the expense of others. If collusion cannot occur (or is too costly) then neither can the punishment of non-conforming firms and "anarcho"-capitalism will prove to be unstable.

So, to sum up, the "defence" market of private states has powerful forces within it to turn it into a monopoly of force over

a given area. From a privately chosen monopoly of force over a specific (privately owned) area, the market of private states will turn into a monopoly of force over a general area. This is due to the need for peaceful relations between companies, relations which are required for a firm to secure market share. The unique market forces that exist within this market ensure collusion and the system of private states will become a cartel and so a public state — unaccountable to all but its shareholders, a state of the wealthy, by the wealthy, for the wealthy.

F.6.4 Why are these "defence associations" states?

It is clear that "anarcho"-capitalist defence associations meet the criteria of statehood outlined in section B.2 ("Why are anarchists against the state"). They defend property and preserve authority relationships, they practice coercion, and are hierarchical institutions which govern those under them on behalf of a "ruling elite," i.e. those who employ both the governing forces and those they govern. Thus, from an anarchist perspective, these "defence associations" are most definitely states.

What is interesting, however, is that by their own definitions a very good case can be made that these "defence associations" are states in the "anarcho"-capitalist sense too. Capitalist apologists usually define a "government" (or state) as something which has a monopoly of force and coercion within a given area. Relative to the rest of the society, these defence associations would have a monopoly of force and coercion of a given piece of property: thus, by the "anarcho"-capitalists' **own definition** of statehood, these associations would qualify!

If we look at Rothbard's definition of statehood, which requires (a) the power to tax and/or (b) a *"coerced monopoly of the provision of defence over a given area"*, "anarcho"-capitalism runs into trouble.

vidual to seek profit, charge rent or interest and to own property" and a *"'right-wing' proprietary anarchism, which vigorously defends these rights"* then Tucker, like Godwin, would have to be placed in the *"left-wing"* camp. [*"Gustave de Molinari and the Anti-statist Liberal Tradition: Part II"*, **Op. Cit.**, p. 427] Tucker, after all, argued that he aimed for the end of profit, interest and rent and attacked private property in land and housing beyond "occupancy and use." It is a shame that Hart was so ignorant of anarchism to ignore all the other forms of anarchism which, while anti-capitalist, were not communist.

As has been seen, Hart's account of the history of "anti-state" liberalism is flawed. Godwin is included only by ignoring his views on property, views which in many ways reflects the later "socialist" (i.e. anarchist) analysis of Proudhon. He then discusses a few individuals who were alone in their opinions even within the extreme free market right and all of whom knew of anarchism and explicitly rejected that name for their respective ideologies. In fact, they preferred the term *"government"* or *"state"* to describe their systems which, on the face of it, would be hard to reconcile with the usual "anarcho"-capitalist definition of anarchism as being "no government" or simply "anti-statism." Hart's discussion of individualist anarchism is equally flawed, failing to discuss their economic views (just as well, as its links to "left-wing" anarchism would be obvious).

However, the similarities of Molinari's views with what later became known as "anarcho"-capitalism are clear. Hart notes that with Molinari's death in 1912, *"liberal anti-statism virtually disappeared until it was rediscovered by the economist Murray Rothbard in the late 1950's"* [*"Gustave de Molinari and the Anti-statist Liberal Tradition: Part III"*, **Op. Cit.**, p. 88] While this fringe is somewhat bigger than previously, the fact remains that the ideas expounded by Rothbard are just as alien to the anarchist tradition as Molinari's. It is a shame that Rothbard, like his predecessors, did not call his ideology something other than anarchism. Not only would it have been more ac-

lords, those who reject the Lockean property rights Rothbard and Herbert hold dear. In such cases, the rebels and any "defence agency" (like, say, a union) which defended them would be driven out of business as it violated the law of the land. How this is different from a state banning competing agencies is hard to determine. This is a *"difficulty"* argues Wieck, which *"results from the attachment of a principle of private property, and of unrestricted accumulation of wealth, to the principle of individual liberty. This increases sharply the possibility that many reasonable people who respect their fellow men and women will find themselves outside the law because of dissent from a property interpretation of liberty."* Similarly, there are the economic results of capitalism. *"One can imagine,"* Wieck continues, *"that those who lose out badly in the free competition of Rothbard's economic system, perhaps a considerable number, might regard the legal authority as an alien power, a state for them, based on violence, and might be quite unmoved by the fact that, just as under nineteenth century capitalism, a principle of liberty was the justification for it all."* [**Op. Cit.**, p. 217 and pp. 217–8]

F.7.3 Can there be a "right-wing" anarchism?

In a word, no. This can be seen from "anarcho"-capitalism itself as well as its attempts to co-opt the US individualist anarchists into its family tree.

Hart mentions the individualist anarchists, calling Tucker's ideas *"**laissez faire** liberalism."* [**Op. Cit.**, p. 87] However, Tucker called his ideas *"socialism"* and presented a left-wing critique of most aspects of liberalism, particularly its Lockean based private property rights. Tucker based much of his ideas on property on Proudhon, so if Hart dismisses the latter as a socialist then this must apply to Tucker as well. Given that he notes that there are *"two main kinds of anarchist thought,"* namely *"communist anarchism which denies the right of an indi-*

In the first place, the costs of hiring defence associations will be deducted from the wealth created by those who use, but do not own, the property of capitalists and landlords. Let us not forget that a capitalist will only employ a worker or rent out land and housing if they make a profit from so doing. Without the labour of the worker, there would be nothing to sell and no wages to pay for rent and so a company's or landlord's "defence" firm will be paid from the revenue gathered from the capitalists power to extract a tribute from those who use, but do not own, a property. In other words, workers would pay for the agencies that enforce their employers' authority over them via the wage system and rent — taxation in a more insidious form.

In the second, under capitalism most people spend a large part of their day on other people's property — that is, they work for capitalists and/or live in rented accommodation. Hence if property owners select a "defence association" to protect their factories, farms, rental housing, etc., their employees and tenants will view it as a *"coerced monopoly of the provision of defence over a given area."* For certainly the employees and tenants will not be able to hire their own defence companies to expropriate the capitalists and landlords. So, from the standpoint of the employees and tenants, the owners do have a monopoly of "defence" over the areas in question. Of course, the "anarcho"-capitalist will argue that the tenants and workers "consent" to **all** the rules and conditions of a contract when they sign it and so the property owner's monopoly is not "coerced." However, the "consent" argument is so weak in conditions of inequality as to be useless (see section F.3.1, for example) and, moreover, it can and has been used to justify the state. In other words, "consent" in and of itself does not ensure that a given regime is not statist. So an argument along these lines is deeply flawed and can be used to justify regimes which are little better than "industrial feudalism" (such as, as indicated in section B.4, company towns, for example — an

institution which right-"libertarians" have no problem with). Even the *"general libertarian law code,"* could be considered a "monopoly of government over a particular area," particularly if ordinary people have no real means of affecting the law code, either because it is market-driven and so is money-determined, or because it will be "natural" law and so unchangeable by mere mortals.

In other words, **if** the state *"arrogates to itself a monopoly of force, of ultimate decision-making power, over a given area territorial area"* then its pretty clear that the property owner shares this power. As we indicated in section F.1, Rothbard agrees that the owner is, after all, the *"ultimate decision-making power"* in their workplace or on their land. If the boss takes a dislike to you (for example, you do not follow their orders) then you get fired. If you cannot get a job or rent the land without agreeing to certain conditions (such as not joining a union or subscribing to the "defence firm" approved by your employer) then you either sign the contract or look for something else. Rothbard fails to draw the obvious conclusion and instead refers to the state *"prohibiting the voluntary purchase and sale of defence and judicial services."* [**The Ethics of Liberty**, p. 170 and p. 171] But just as surely as the law of contract allows the banning of unions from a property, it can just as surely ban the sale and purchase of defence and judicial services (it could be argued that market forces will stop this happening, but this is unlikely as bosses usually have the advantage on the labour market and workers have to compromise to get a job). After all, in the company towns, only company money was legal tender and company police the only law enforcers.

Therefore, it is obvious that the "anarcho"-capitalist system meets the Weberian criteria of a monopoly to enforce certain rules in a given area of land. The *"general libertarian law code"* is a monopoly and property owners determine the rules that apply on their property. Moreover, if the rules that property owners enforce are subject to rules contained in the monopo-

of the land. The only major difference is that Rothbard's system explicitly excludes the general public from specifying or amending the laws they are subject to and allows (prosperous) judges to interpret and add to the (capitalist) law. Perhaps this dispossession of the general public is the only means by which the minimal state will remain minimal (as Rothbard claimed) and capitalist property, authority and property rights remain secure and sacrosanct, yet the situation where the general public has no say in the regime and the laws they are subjected to is usually called dictatorship, not "anarchy."

At least Herbert is clear that his politics was a governmental system, unlike Rothbard who assumes a monopoly law but seems to think that this is not a government or a state. As David Wieck argued, this is illogical for according to Rothbard *"all 'would have to' conform to the same legal code"* and this can only be achieved by means of *"the forceful action of adherents to the code against those who flout it"* and so *"in his system* ***there would stand over against every individual the legal authority of all the others****. An individual who did not recognise private property as legitimate would surely perceive this as a tyranny of law, a tyranny of the majority or of the most powerful — in short, a hydra-headed state. If the law code is itself unitary, then this multiple state might be said to have properly a single head — the law ... But it looks as though one might still call this 'a state,' under Rothbard's definition, by satisfying* ***de facto*** *one of his pair of sufficient conditions: 'It asserts and usually obtains a coerced monopoly of provision of defence service (police and courts) over a given territorial area' ... Hobbes's individual sovereign would seem to have become many sovereigns — with but one law, however, and in truth, therefore, a single sovereign in Hobbes's more important sense of the latter term. One might better, and less confusingly, call this a libertarian state than an anarchy."* [**Anarchist Justice**, pp. 216–7]

The obvious recipients of the coercion of the new state would be those who rejected the authority of their bosses and land-

[**Power and Market**, p. 124] That the government is specifying what is and is not legal does not seem to bother him or even cross his mind. Why should it, when the existence of government is irrelevant to his definition of anarchism and the state? That private police are enforcing a monopoly law determined by the government seems hardly a step in the right direction nor can it be considered as anarchism. Perhaps this is unsurprising, for under his system there would be *"a basic, common Law Code"* which *"all would have to abide by"* as well as *"some way of resolving disputes that will gain a majority consensus in society ... whose decision will be accepted by the great majority of the public."* [**"Society without a State,"**, p. 205]

That this is simply a state under a different name can be seen from looking at other right-wing liberals. Milton Friedman, for example, noted (correctly) that the *"consistent liberal is not an anarchist."* He stated that government *"is essential"* for providing a *"legal framework"* and provide *"the definition of property rights."* In other words, to *"determine, arbitrate and enforce the rules of the game."* [**Capitalism and Freedom**, p. 34, p. 15, p. 25, p. 26 and p. 27] For Ludwig von Mises *"liberalism is not anarchism, nor has it anything whatsoever to do with anarchism."* Liberalism *"restricts the activity of the state in the economic sphere exclusively to the protection of property."* [**Liberalism**, p. 37 and p. 38] The key difference between these liberals and Rothbard's brand of liberalism is that rather than an elected parliament making laws, "anarcho"-capitalism would have a general law code produced by "libertarian" lawyers, jurists and judges. Both would have laws interpreted by judges. Rothbard's system is also based on a legal framework which would both provide a definition of property rights and determine the rules of the game. However, the means of enforcing and arbitrating those laws would be totally private. Yet even this is hardly a difference, as it is doubtful if Friedman or von Mises (like Rand or Herbert) would have barred private security firms or voluntary arbitration services as long as they followed the law

listic *"general libertarian law code"* (for example, that they cannot ban the sale and purchase of certain products — such as defence — on their own territory) then "anarcho"-capitalism **definitely** meets the Weberian definition of the state (as described by Ayn Rand as an institution *"that holds the exclusive power to **enforce** certain rules of conduct in a given geographical area"* [**Capitalism: The Unknown Ideal**, p. 239]) as its "law code" overrides the desires of property owners to do what they like on their own property.

Therefore, no matter how you look at it, "anarcho"-capitalism and its "defence" market promotes a *"monopoly of ultimate decision making power"* over a *"given territorial area"*. It is obvious that for anarchists, the "anarcho"-capitalist system is a state system. And, as we note, a reasonable case can be made for it also being a state in the "anarcho"-capitalist sense as well. So, in effect, "anarcho"-capitalism has a **different** sort of state, one in which bosses hire and fire the policeman. As anarchist Peter Sabatini notes:

> *"Within [right] Libertarianism, Rothbard represents a minority perspective that actually argues for the total elimination of the state. However Rothbard's claim as an anarchist is quickly voided when it is shown that he only wants an end to the public state. In its place he allows countless private states, with each person supplying their own police force, army, and law, or else purchasing these services from capitalist vendors ... Rothbard sees nothing at all wrong with the amassing of wealth, therefore those with more capital will inevitably have greater coercive force at their disposal, just as they do now."*
> [**Libertarianism: Bogus Anarchy**]

Far from wanting to abolish the state, then, "anarcho"-capitalists only desire to privatise it — to make it solely accountable to capitalist wealth. Their "companies" perform the

same services as the state, for the same people, in the same manner. However, there is one slight difference. Property owners would be able to select between competing companies for their "services." Because such "companies" are employed by the boss, they would be used to reinforce the totalitarian nature of capitalist firms by ensuring that the police and the law they enforce are not even slightly accountable to ordinary people. Looking beyond the "defence association" to the defence market itself (as we argued in the last section), this will become a cartel and so become some kind of public state. The very nature of the private state, its need to co-operate with others in the same industry, push it towards a monopoly network of firms and so a monopoly of force over a given area. Given the assumptions used to defend "anarcho"-capitalism, its system of private statism will develop into public statism — a state run by managers accountable only to the share-holding elite.

To quote Peter Marshall again, the "anarcho"-capitalists *"claim that all would benefit from a free exchange on the market, it is by no means certain; any unfettered market system would most likely sponsor a reversion to an unequal society with defence associations perpetuating exploitation and privilege."* [**Demanding the Impossible**, p. 565] History, and current practice, prove this point.

In short, "anarcho"-capitalists are not anarchists at all, they are just capitalists who desire to see private states develop — states which are strictly accountable to their paymasters without even the sham of democracy we have today. Hence a far better name for "anarcho"-capitalism would be "private-state" capitalism. At least that way we get a fairer idea of what they are trying to sell us. Bob Black put it well: *"To my mind a right-wing anarchist is just a minarchist who'd abolish the state to his own satisfaction by calling it something else … They don't denounce what the state does, they just object to who's doing it."* [*"The Libertarian As Conservative"*, **The Abolition of Work and Other Essays**, p. 144]

And all Rothbard is concerned over private cops would exist or not! This lack of concern over the existence of the state and government flows from the strange fact that "anarcho"-capitalists commonly use the term "anarchism" to refer to any philosophy that opposes all forms of initiatory coercion. Notice that government does not play a part in this definition, thus Rothbard can analyse Herbert's politics without commenting on who determines the law his private "defence" agencies enforce. For Rothbard, *"an anarchist society"* is defined *"as one where there is no legal possibility for coercive aggression against the person and property of any individual."* He then moved onto the state, defining that as an *"institution which possesses one or both (almost always both) of the following properties: (1) it acquires its income by the physical coercion known as 'taxation'; and (2) it acquires and usually obtains a coerced monopoly of the provision of defence service (police and courts) over a given territorial area."* [**Society without a State**, p. 192]

This is highly unusual definition of "anarchism," given that it utterly fails to mention or define government. This, perhaps, is understandable as any attempt to define it in terms of *"monopoly of decision-making power"* results in showing that capitalism is statist (see section F.1 for a summary). The key issue here is the term *"legal possibility."* That suggestions a system of laws which determine what is *"coercive aggression"* and what constitutes what is and what is not legitimate "property." Herbert is considered by some "anarcho"-capitalists as one of them. Which brings us to a strange conclusion that, for "anarcho"-capitalists you can have a system of "anarchism" in which there is a government and state — as long as the state does not impose taxation nor stop private police forces from operating!

As Rothbard argues *"if a government based on voluntary taxation permits free competition, the result will be the purely free-market system … The previous government would now simply be one competing defence agency among many on the market."*

imal state. Ironically, Rothbard stresses the need for such a monopoly legal system:

> *"While 'the government' would cease to exist, the same cannot be said for a constitution or a rule of law, which, in fact, would take on in the free society a far more important function than at present. For the freely competing judicial agencies would have to be guided by a body of absolute law to enable them to distinguish objectively between defence and invasion. This law, embodying elaborations upon the basic injunction to defend person and property from acts of invasion, would be codified in the basic legal code. Failure to establish such a code of law would tend to break down the free market, for then defence against invasion could not be adequately achieved."* [**Op. Cit.**, p. 123–4]

So if you violate the *"absolute law"* defending (absolute) property rights then you would be in trouble. The problem now lies in determining who sets that law. For Rothbard, as we noted in section F.6.1, his system of monopoly laws would be determined by judges, Libertarian lawyers and jurists. The "voluntaryists" proposed a different solution, namely a central government elected by the majority of those who voluntarily decided to pay an income tax. In the words of Herbert:

> *"We agree that there must be a central agency to deal with crime — an agency that defends the liberty of all men, and employs force against the uses of force; but my central agency rests upon voluntary support, whilst Mr. Levy's central agency rests on compulsory support."* [quoted by Carl Watner, *"The English Individualists As They Appear In Liberty,"* pp. 191–211, **Benjamin R. Tucker and the Champions of Liberty**, p. 194]

F.7 How does the history of "anarcho"-capitalism show that it is not anarchist?

Of course, "anarcho"-capitalism does have historic precedents and "anarcho"-capitalists spend considerable time trying to co-opt various individuals into their self-proclaimed tradition of "anti-statist" liberalism. That, in itself, should be enough to show that anarchism and "anarcho"-capitalism have little in common as anarchism developed in opposition to liberalism and its defence of capitalism. Unsurprisingly, these "anti-state" liberals tended to, at best, refuse to call themselves anarchists or, at worse, explicitly deny they were anarchists.

One "anarcho"-capitalist overview of their tradition is presented by David M. Hart. His perspective on anarchism is typical of the school, noting that in his essay anarchism or anarchist *"are used in the sense of a political theory which advocates the maximum amount of individual liberty, a necessary condition of which is the elimination of governmental or other organised force."* [*"Gustave de Molinari and the Anti-statist Liberal Tradition: Part I"*, pp. 263–290, **Journal of Libertarian Studies**, vol. V, no. 3, p. 284] Yet anarchism has **never** been solely concerned with abolishing the state. Rather, anarchists have always raised economic and social demands and goals along with their opposition to the state. As such, anti-statism may be a necessary condition to be an anarchist, but not a sufficient one to count a specific individual or theory as anarchist.

Specifically, anarchists have turned their analysis onto private property noting that the hierarchical social relationships created by inequality of wealth (for example, wage labour) restricts individual freedom. This means that if we do seek *"the maximum of individual liberty"* then our analysis cannot be limited to just the state or government. Thus a libertarian critique of private property is an essential aspect of anarchism. Consequently, to limit anarchism as Hart does requires substantial rewriting of history, as can be seen from his account of William Godwin.

Hart tries to co-opt of William Godwin into the ranks of "anti-state" liberalism, arguing that he *"defended individualism and the right to property."* [**Op. Cit.**, p. 265] He, of course, quotes from Godwin to support his claim yet strangely truncates Godwin's argument to exclude his conclusion that *"[w]hen the laws of morality shall be clearly understood, their excellence universally apprehended, and themselves seen to be coincident with each man's private advantage, the idea of property in this sense will remain, but no man will have the least desire, for purposes of ostentation or luxury, to possess more than his neighbours."* In other words, personal property (possession) would still exist but not private property in the sense of capital or inequality of wealth. For Godwin, *"it follows, upon the principles of equal and impartial justice, that the good things of the world are a common stock, upon which one man has a valid a title as another to draw for what he wants."* [**An Enquiry into Political Justice**, p. 199 and p. 703] Rather than being a liberal Godwin moved beyond that limited ideology to provide the first anarchist critique of private property and the authoritarian social relationships it created. His vision of a free society would, to use modern terminology, be voluntary (***libertarian***) communism.

This analysis is confirmed in book 8 of Godwin's classic work, entitled ***"On Property."*** Needless to say, Hart fails to mention this analysis, unsurprisingly as it was later reprinted as a socialist pamphlet. Godwin thought that the *"subject of*

This position is, of course, deeply illogical and flows from the non-anarchist nature of "anarcho"-capitalism. Perhaps unsurprisingly, when Rothbard discusses the ideas of the "voluntaryists" he fails to address the key issue of who determines the laws being enforced in society. For Rothbard, the key issue was **who** is enforcing the law, not where that law comes from (as long, of course, as it is a law code he approved of). The implications of this is significant, as it implies that "anarchism" need not be opposed to either the state nor government! This can be clearly seen from Rothbard's analysis of Herbert's voluntary taxation position.

Rothbard, correctly, notes that Herbert advocated voluntary taxation as the means of funding a state whose basic role was to enforce Lockean property rights. The key point of his critique was **not** who determines the law but who enforces it. For Rothbard, it should be privatised police and courts and he suggests that the *"voluntary taxationists have never attempted to answer this problem; they have rather stubbornly assumed that no one would set up a competing defence agency within a State's territorial limits."* If the state **did** bar such firms, then that system is not a genuine free market. However, *"if the government **did** permit free competition in defence service, there would soon no longer be a central government over the territory. Defence agencies, police and judicial, would compete with one another in the same uncoerced manner as the producers of any other service on the market."* [**Power and Market**, p. 122 and p. 123]

Obviously this misses the point totally. What Rothbard ignores is who determines the laws which these private "defence" agencies would enforce. If the laws are made by a central government then the fact that citizen's can hire private police and attend private courts does not stop the regime being statist. We can safely assume Rand, for example, would have had no problem with companies providing private security guards or the hiring of private detectives within the context of her min-

voluntary payments." [Herbert, **Essay X: The Principles Of Voluntaryism And Free Life**] As such, *"the state"* would remain and unless he is using the term "state" in some highly unusual way, it is clear that he means a system where individuals live under a single elected government as their common law maker, judge and defender within a given territory.

This becomes clearer once we look at how the state would be organised. In his essay "**A Politician in Sight of Haven**," Herbert does discuss the franchise, stating it would be limited to those who paid a voluntary *"income tax"* and anyone *"paying it would have the right to vote; those who did not pay it would be — as is just — without the franchise. There would be no other tax."* The law would be strictly limited, of course, and the *"government … must confine itself simply to the defence of life and property, whether as regards internal or external defence."* In other words, Herbert was a minimal statist, with his government elected by a majority of those who choose to pay their income tax and funded by that (and by any other voluntary taxes they decided to pay). Whether individuals and companies could hire their own private police in such a regime is irrelevant in determining whether it is an anarchy.

This can be best seen by comparing Herbert with Ayn Rand. No one would ever claim Rand was an anarchist, yet her ideas were extremely similar to Herbert's. Like Herbert, Rand supported laissez-faire capitalism and was against the "initiation of force." Like Herbert, she extended this principle to favour a government funded by voluntary means [*"Government Financing in a Free Society,"* **The Virtue of Selfishness**, pp. 116–20] Moreover, like Herbert, she explicitly denied being an anarchist and, again like Herbert, thought the idea of competing defence agencies ("governments") would result in chaos. The similarities with Herbert are clear, yet no "anarcho"-capitalist would claim that Rand was an anarchist, yet some do claim that Herbert was.

property is the key-stone that completes the fabric of political justice." Like Proudhon, he subjected property as well as the state to an anarchist analysis. For Godwin, there were *"three degrees"* of property. The first is possession of things you need to live. The second is *"the empire to which every man is entitled over the produce of his own industry."* The third is *"that which occupies the most vigilant attention in the civilised states of Europe. It is a system, in whatever manner established, by which one man enters into the faculty of disposing of the produce of another man's industry."* He notes that it is *"clear therefore that the third species of property is in direct contradiction to the second."* [**Op. Cit.**, p. 701 and p. 710–2] The similarities with Proudhon's classic analysis of private property are obvious (and it should be stressed that the two founders of the anarchist tradition independently reached the same critique of private property).

Godwin, unlike classical liberals, saw the need to *"point out the evils of accumulated property,"* arguing that the *"spirit of oppression, the spirit of servility, and the spirit of fraud … are the immediate growth of the established administration of property. They are alike hostile to intellectual and moral improvement."* Thus private property harms the personality and development those subjected to the authoritarian social relationships it produces, for *"accumulation brings home a servile and truckling spirit"* and such accumulated property *"treads the powers of thought in the dust, extinguishes the sparks of genius, and reduces the great mass of mankind to be immersed in sordid cares."* This meant that the *"feudal spirit still survives that reduced the great mass of mankind to the rank of slaves and cattle for the service of a few."* Like the socialist movement he inspired, Godwin argued that *"it is to be considered that this injustice, the unequal distribution of property, the grasping and selfish spirit of individuals, is to be regarded as one of the original sources of government, and, as it rises in its excesses, is continually demanding and necessitating new injustice, new penalties and new slavery."* He stressed, *"let it never be forgotten that accumulated property is*

usurpation" and considered the evils produced by monarchies, courts, priests, and criminal laws to be *"imbecile and impotent compared to the evils that arise out of the established administration of property."* [**Op. Cit.**, p. 732, p. 725, p. 730, p. 726, pp. 717–8, p. 718 and p. 725]

Unsurprisingly given this analysis, Godwin argued against the current system of property and in favour of *"the justice of an equal distribution of the good things of life."* This would be based on *"[e]quality of conditions, or, in other words, an equal admission to the means of improvement and pleasure"* as this *"is a law rigorously enjoined upon mankind by the voice of justice."* [**Op. Cit.**, p. 725 and p. 736] Thus his anarchist ideas were applied to private property, noting like subsequent anarchists that economic inequality resulted in the loss of liberty for the many and, consequently, an anarchist society would see a radical change in property and property rights. As Kropotkin noted, Godwin *"stated in 1793 in a quite definite form the political and economic principle of Anarchism."* Little wonder he, like so many others, argued that Godwin was *"the first theoriser of Socialism without government — that is to say, of Anarchism."* [**Environment and Evolution**, p. 62 and p. 26] For Kropotkin, anarchism was by definition not restricted to purely political issues but also attacked economic hierarchy, inequality and injustice. As Peter Marshall confirms, *"Godwin's economics, like his politics, are an extension of his ethics."* [**Demanding the Impossible**, p. 210]

Godwin's theory of property is significant because it prefigured what was to become standard nineteenth century socialist thought on the matter. In Britain, his ideas influenced Robert Owen and, as a result, the early socialist movement in that country. His analysis of property, as noted, was identical to and predated Proudhon's classic anarchist analysis. As such, to state, as Hart did, that Godwin simply *"concluded that the state was an evil which had to be reduced in power if not eliminated completely"* while not noting his analysis of property

island. His argument and conclusions are the same, though, with a small minority becoming *"proprietors of the whole district"* and the rest *"dispossessed"* and *"compelled to sell their birthright."* He concluded by saying *"[i]n this century of bourgeois morality ... the moral sense is so debased that I should not be at all surprised if I were asked, by many a worthy proprietor, what I see in this that is unjust and illegitimate? Debased creature! galvanised corpse! how can I expect to convince you, if you cannot tell robbery when I show it to you?"* [**What is Property?**, pp. 125–7] Which shows how far Herbert's position was from genuine anarchism — and how far "anarcho"-capitalism is.

So, economically, Herbert was not an anarchist, arguing that the state should protect Lockean property rights. Of course, Hart may argue that these economic differences are not relevant to the issue of Herbert's anarchism but that is simply to repeat the claim that anarchism is solely concerned with government, a claim which is hard to support. This position cannot be maintained, particularly given that both Herbert and Molinari defended the right of capitalists and landlords to force their employees and tenants to follow their orders. Their "governments" existed to defend the capitalist from rebellious workers, to break unions, strikes and occupations. In other words, they were a monopoly of the use of force in a given area to enforce the monopoly of power in a given area (namely, the wishes of the property owner). While they may have argued that this was "defence of liberty," in reality it is defence of power and authority.

What about if we just look at the political aspects of his ideas? Did Herbert actually advocate anarchism? No, far from it. He clearly demanded a minimal state based on voluntary taxation. The state would not use force of any kind, *"except for purposes of restraining force."* He argued that in his system, while *"the state should compel no services and exact no payments by force,"* it *"should be free to conduct many useful undertakings ... in competition with all voluntary agencies ... in dependence on*

ist) movement of late 19th century Britain, concludes (rightly) that Herbert *"was often mistakenly taken as an anarchist"* but *"a reading of Herbert's work will show that he was not an anarchist."* [**Freedom and Authority**, p. 199fn and p. 73fn] The leading British social anarchist journal of the time noted that the *"Auberon Herbertites in England are sometimes called Anarchists by outsiders, but they are willing to compromise with the inequity of government to maintain private property."* [**Freedom**, Vol. II, No. 17, 1888]

Some non-anarchists **did** call Herbert an anarchist. For example, J. A. Hobson, a left-wing liberal, wrote a critique of Herbert's politics called *"A Rich Man's Anarchism."* Hobson argued that Herbert's support for exclusive private property would result in the poor being enslaved to the rich. Herbert, *"by allowing first comers to monopolise without restriction the best natural supplies"* would allow them *"to thwart and restrict the similar freedom of those who come after."* Hobson gave the *"extreme instance"* of an island *"the whole of which is annexed by a few individuals, who use the rights of exclusive property and transmission ... to establish primogeniture."* In such a situation, the bulk of the population would be denied the right to exercise their faculties or to enjoy the fruits of their labour, which Herbert claimed to be the inalienable rights of all. Hobson concluded: *"It is thus that the 'freedom' of a few (in Herbert's sense) involves the 'slavery' of the many."* [quoted by M. W. Taylor, **Men Versus the State**, pp. 248–9] M. W. Taylor notes that *"of all the points Hobson raised ... this argument was his most effective, and Herbert was unable to provide a satisfactory response."* [**Op. Cit.**, p. 249]

The ironic thing is that Hobson's critique simply echoed the **anarchist** one and, moreover, simply repeated Proudhon's arguments in **What is Property?**. As such, from an anarchist perspective, Herbert's inability to give a reply was unsurprising given the power of Proudhon's libertarian critique of private property. In fact, Proudhon used a similar argument to Hobson's, presenting *"a colony ... in a wild district"* rather than an

gives a radically false presentation of his ideas. [**Op. Cit.**, p. 265] However, it does fit into his flawed assertion that anarchism is purely concerned with the state. Any evidence to the contrary is simply ignored.

F.7.1 Are competing governments anarchism?

No, of course not. Yet according to "anarcho"-capitalism, it is. This can be seen from the ideas of Gustave de Molinari.

Hart is on firmer ground when he argues that the 19th century French economist Gustave de Molinari is the true founder of "anarcho"-capitalism. With Molinari, he argues, *"the two different currents of anarchist thought converged: he combined the political anarchism of Burke and Godwin with the nascent economic anarchism of Adam Smith and Say to create a new forms of anarchism"* that has been called *"anarcho-capitalism, or free market anarchism."* [**Op. Cit.**, p. 269] Of course, Godwin (like other anarchists) did not limit his anarchism purely to "political" issues and so he discussed *"economic anarchism"* as well in his critique of private property (as Proudhon also did). As such, to artificially split anarchism into political and economic spheres is both historically and logically flawed. While some dictionaries limit "anarchism" to opposition to the state, anarchists did and do not.

The key problem for Hart is that Molinari refused to call himself an anarchist. He did not even oppose government, as Hart himself notes Molinari proposed a system of insurance companies to provide defence of property and *"called these insurance companies 'governments' even though they did not have a monopoly within a given geographical area."* As Hart notes, Molinari was the sole defender of such free-market justice at the time in France. [David M. Hart, *"Gustave de Molinari and the Anti-statist Liberal Tradition: Part II"*, pp. 399–434, **Journal of Libertarian Studies**, vol. V, no. 4, p. 415 and p. 411] Molinari

was clear that he wanted *"a regime of free government,"* counterpoising *"monopolist or communist governments"* to *"free governments."* This would lead to *"freedom of government"* rather than its abolition (i.e., not freedom **from** government). For Molinari the future would not bring *"the suppression of the state which is the dream of the anarchists ... It will bring the diffusion of the state within society. That is ... 'a free state in a free society.'"* [quoted by Hart, **Op. Cit.**, p. 429, p. 411 and p. 422] As such, Molinari can hardly be considered an anarchist, even if "anarchist" is limited to purely being against government.

Moreover, in another sense Molinari was in favour of the state. As we discuss in section F.6, these companies would have a monopoly within a given geographical area — they have to in order to enforce the property owner's power over those who use, but do not own, the property in question. The key contradiction can be seen in Molinari's advocating of company towns, privately owned communities (his term was a *"proprietary company"*). Instead of taxes, people would pay rent and the *"administration of the community would be either left in the hands of the company itself or handled special organisations set up for this purpose."* Within such a regime *"those with the most property had proportionally the greater say in matters which affected the community."* If the poor objected then they could simply leave. [**Op. Cit.**, pp. 421–2 and p. 422]

Given this, the idea that Molinari was an anarchist in any form can be dismissed. His system was based on privatising government, not abolishing it (as he himself admitted). This would be different from the current system, of course, as landlords and capitalists would be hiring police directly to enforce their decisions rather than relying on a state which they control indirectly. This system would not be anarchist as can be seen from American history. There capitalists and landlords created their own private police forces and armies, which regularly attacked and murdered union organisers and strikers. As

nomic and social aims. As such, he was right **not** to call his ideas anarchism as it would result in confusion (particularly as anarchism was a much larger movement than his). As Hart acknowledges, *"Herbert faced the same problems that Molinari had with labelling his philosophy. Like Molinari, he rejected the term 'anarchism,' which he associated with the socialism of Proudhon and ... terrorism."* While *"quite tolerant"* of individualist anarchism, he thought they *"were mistaken in their rejections of 'government.'"* However, Hart knows better than Herbert about his own ideas, arguing that his ideology *"is in fact a new form of anarchism, since the most important aspect of the modern state, the monopoly of the use of force in a given area, is rejected in no uncertain terms by both men."* [**Op. Cit.**, p. 86] He does mention that Benjamin Tucker called Herbert a *"true anarchist in everything but name,"* but Tucker denied that Kropotkin was an anarchist suggesting that he was hardly a reliable guide. [quoted by Hart, **Op. Cit.**, p. 87] As it stands, it seems that Tucker (unlike other anarchists) was mistaken in his evaluation of Herbert's politics.

While there were similarities between Herbert's position and individualist anarchism, *"the gulf"* between them *"in other respects was unbridgeable"* notes historian Matthew Thomas. *"The primary concern of the individualists was with the preservation of existing property relations and the maintenance of some form of organisation to protect these relations... Such a vestigial government was obviously incompatible with the individualist anarchist desire to abolish the state. The anarchists also demanded sweeping changes in the structure of property relations through the destruction of the land and currency monopolies. This they argued, would create equal opportunities for all. The individualists however rejected this and sought to defend the vested interests of the property-owning classes. The implications of such differences prevented any real alliance."* [**Anarchist Ideas and Counter-Cultures in Britain, 1880–1914**, p. 20] Anarchist William R. McKercher, in his analysis of the libertarian (social-

Yet, as with Molinari, there is a problem with presenting this ideology as anarchist, namely that its leading light, Herbert, explicitly rejected the label "anarchist" and called for both a government and a democratic state. Thus, apparently, both state and government are *"logically consistent"* with "anarcho"-capitalism and vice versa!

Herbert was clearly aware of individualist anarchism and distanced himself from it. He argued that such a system would be *"pandemonium."* He thought that we should *"not direct our attacks — as the anarchists do — **against all government** , against government in itself"* but *"only against the overgrown, the exaggerated, the insolent, unreasonable and indefensible forms of government, which are found everywhere today."* Government should be *"strictly limited to its legitimate duties in defence of self-ownership and individual rights."* He stressed that *"we are governmentalists ... formally constituted by the nation, employing in this matter of force the majority method."* Moreover, Herbert knew of, and rejected, individualist anarchism, considering it to be *"founded on a fatal mistake."* [**Essay X: The Principles Of Voluntaryism And Free Life**] He repeated this argument in other words, stating that anarchy was a *"contradiction,"* and that the Voluntaryists *"reject the anarchist creed."* He was clear that they *"believe in a national government, voluntary supported ... and only entrusted with force for protection of person and property."* He called his system of a national government funded by non-coerced contributions *"the Voluntary State."* [*"A Voluntaryist Appeal"*, **Herbert Spencer and the Limits of the State**, Michael W. Taylor (ed.), p. 239 and p. 228] As such, claims that Herbert was an anarchist cannot be justified.

Hart is aware of this slight problem, quoting Herbert's claim that he aimed for *"regularly constituted government, generally accepted by all citizens for the protection of the individual."* [quoted by Hart, **Op. Cit.**, p. 86] Like Molinari, Herbert was aware that anarchism was a form of socialism and that the political aims could not be artificially separated from its eco-

an example, there is Henry Ford's Service Department (private police force):

> *"In 1932 a hunger march of the unemployed was planned to march up to the gates of the Ford plant at Dearborn... The machine guns of the Dearborn police and the Ford Motor Company's Service Department killed [four] and wounded over a score of others... Ford was fundamentally and entirely opposed to trade unions. The idea of working men questioning his prerogatives as an owner was outrageous ... [T]he River Rouge plant... was dominated by the autocratic regime of Bennett's service men. Bennett . . organise[d] and train[ed] the three and a half thousand private policemen employed by Ford. His task was to maintain discipline amongst the work force, protect Ford's property [and power], and prevent unionisation... Frank Murphy, the mayor of Detroit, claimed that 'Henry Ford employs some of the worst gangsters in our city.' The claim was well based. Ford's Service Department policed the gates of his plants, infiltrated emergent groups of union activists, posed as workers to spy on men on the line... Under this tyranny the Ford worker had no security, no rights. So much so that any information about the state of things within the plant could only be freely obtained from ex-Ford workers."* [Huw Beynon, **Working for Ford**, pp. 29–30]

The private police attacked women workers handing out pro-union leaflets and gave them *"a severe beating."* At Kansas and Dallas *"similar beatings were handed out to the union men."* This use of private police to control the work force was not unique. General Motors *"spent one million dollars on espionage, employing fourteen detective agencies and two hundred spies at one time*

[between 1933 and 1936]. The Pinkerton Detective Agency found anti-unionism its most lucrative activity." [**Op. Cit.**, p. 34 and p. 32] We must also note that the Pinkerton's had been selling their private police services for decades before the 1930s. For over 60 years the Pinkerton Detective Agency had *"specialised in providing spies, agent provocateurs, and private armed forces for employers combating labour organisations."* By 1892 it *"had provided its services for management in seventy major labour disputes, and its 2,000 active agents and 30,000 reserves totalled more than the standing army of the nation."* [Jeremy Brecher, **Strike!**, p. 55] With this force available, little wonder unions found it so hard to survive in the USA.

Only an "anarcho"-capitalist would deny that this is a private government, employing private police to enforce private power. Given that unions could be considered as "defence" agencies for workers, this suggests a picture of how "anarcho"-capitalism may work in practice radically different from than that produced by its advocates. The reason is simple, it does not ignore inequality and subjects property to an anarchist analysis. Little wonder, then, that Proudhon stressed that it *"becomes necessary for the workers to form themselves into democratic societies, with equal conditions for all members, on pain of a relapse into feudalism."* Anarchism, in other words, would see *"[c]apitalistic and proprietary exploitation stopped everywhere, the wage system abolished"* and so *"the economic organisation [would] replac[e] the governmental and military system."* [**The General Idea of the Revolution**, p. 227 and p. 281] Clearly, the idea that Proudhon shared the same political goal as Molinari is a joke. He would have dismissed such a system as little more than an updated form of feudalism in which the property owner is sovereign and the workers subjects (also see section B.4).

Unsurprisingly, Molinari (unlike the individualist anarchists) attacked the jury system, arguing that its obliged people to *"perform the duties of judges. This is pure communism."* Peo-

It should be noted that Proudhon was **not** a communist-anarchist, but the point remains (as an aside, Rothbard also showed his grasp of anarchism by asserting that *"the demented Bakunin"* was a *"leading anarcho-communist,"* who *"emphasised [the lumpenproletariat] in the 1840s."* [**The Logic of Action II**, p. 388 and p. 381] Which would have been impressive as not only did Bakunin become an anarchist in the 1860s, anarcho-communism, as anyone with even a basic knowledge of anarchist history knows, developed after his death nor did Bakunin emphasise the lumpenproletariat as the agent of social change, Rothbardian and Marxian inventions not withstanding). The aims of anarchism were recognised by Molinari as being inconsistent with his ideology. Consequently, he (rightly) refused the label. If only his self-proclaimed followers in the *"latter half of the twentieth century"* did the same then anarchists would not have to bother with them!

It does seem ironic that the founder of "anarcho"-capitalism should have come to the same conclusion as modern day anarchists on the subject of whether his ideas are a form of anarchism or not!

F.7.2 Is government compatible with anarchism?

Of course not, but ironically this is the conclusion arrived at by Hart's analyst of the British "voluntaryists," particularly Auberon Herbert. Voluntaryism was a fringe part of the right-wing individualist movement inspired by Herbert Spencer, a leading spokesman for free market capitalism in the later half of the nineteenth century. Like Hart, leading "anarcho"-capitalist Hans-Hermann Hoppe believes that Herbert *"develop[ed] the Spencerian idea of equal freedom to its logically consistent anarcho-capitalist end."* [**Anarcho-Capitalism: An Annotated Bibliography**]

thereby." However, this apparent "anti-statist" attitude of supporters of capitalism is false as pure free market capitalism cannot solve the social question, which arises because of capitalism itself. As such, it was impossible to abolish the state under capitalism. Thus *"this inaction of Power in economic matters was the foundation of government. What need should we have of a political organisation, if Power once permitted us to enjoy economic order?"* Instead of capitalism, Proudhon advocated the *"constitution of Value,"* the *"organisation of credit,"* the elimination of interest, the *"establishment of workingmen's associations"* and *"the use of a just price."* [**The General Idea of the Revolution**, p. 225, p. 226 and p. 233]

Clearly, then, the claims that Molinari was an anarchist fail as he, unlike his followers, was aware of what anarchism actually stood for. Hart, in his own way, acknowledges this:

> *"In spite of his protestations to the contrary, Molinari should be considered an anarchist thinker. His attack on the state's monopoly of defence must surely warrant the description of anarchism. His reluctance to accept this label stemmed from the fact that the socialists had used it first to describe a form of non-statist society which Molinari definitely opposed. Like many original thinkers, Molinari had to use the concepts developed by others to describe his theories. In his case, he had come to the same political conclusions as the communist anarchists although he had been working within the liberal tradition, and it is therefore not surprising that the terms used by the two schools were not compatible. It would not be until the latter half of the twentieth century that radical, free-trade liberals would use the word 'anarchist' to describe their beliefs."* [**Op. Cit.**, p. 416]

ple would *"judge according to the colour of their opinions, than according to justice."* [quoted by Hart, **Op. Cit.**, p. 409] As the jury system used amateurs (i.e. ordinary people) rather than full-time professionals it could not be relied upon to defend the power and property rights of the rich. As we noted in section F.6.1, Rothbard criticised the individualist anarchists for supporting juries for essentially the same reasons.

But, as is clear from Hart's account, Molinari had little concern that working class people should have a say in their own lives beyond consuming goods and picking bosses. His perspective can be seen from his lament that in those *"colonies where slavery has been abolished without the compulsory labour being replaced with an equivalent quantity of free [sic!] labour [i.e., wage labour], there has occurred the opposite of what happens everyday before our eyes. Simple workers have been seen to exploit in their turn the industrial* ***entrepreneurs****, demanding from them wages which bear absolutely no relation to the legitimate share in the product which they ought to receive. The planters were unable to obtain for their sugar a sufficient price to cover the increase in wages, and were obliged to furnish the extra amount, at first out of their profits, and then out of their very capital. A considerable number of planters have been ruined as a result ... It is doubtless better that these accumulations of capital should be destroyed than that generations of men should perish [Marx: 'how generous of M. Molinari'] but would it not be better if both survived?"* [quoted by Karl Marx, **Capital**, vol. 1, p. 937f]

So workers exploiting capital is the *"opposite of what happens everyday before our eyes"*? In other words, it is normal that entrepreneurs *"exploit"* workers under capitalism? Similarly, what is a *"legitimate share"* which workers *"ought to receive"*? Surely that is determined by the eternal laws of supply and demand and not what the capitalists (or Molinari) thinks is right? And those poor former slave drivers, they really do deserve our sympathy. What horrors they face from the impositions subjected upon them by their ex-chattels — they had to re-

duce their profits! How dare their ex-slaves refuse to obey them in return for what their ex-owners think was their *"legitimate share in the produce"*! How *"simple"* these workers were, not understanding the sacrifices their former masters suffer nor appreciating how much more difficult it is for their ex-masters to create *"the product"* without the whip and the branding iron to aid them! As Marx so rightly comments: *"And what, if you please, is this 'legitimate share', which, according to [Molinari's] own admission, the capitalist in Europe daily neglects to pay? Over yonder, in the colonies, where the workers are so 'simple' as to 'exploit' the capitalist, M. Molinari feels a powerful itch to use police methods to set on the right road that law of supply and demand which works automatically everywhere else."* [**Op. Cit.**, p. 937f]

An added difficulty in arguing that Molinari was an anarchist is that he was a contemporary of Proudhon, the first self-declared anarchist, and lived in a country with a vigorous anarchist movement. Surely if he was really an anarchist, he would have proclaimed his kinship with Proudhon and joined in the wider movement. He did not, as Hart notes as regards Proudhon:

> *"their differences in economic theory were considerable, and it is probably for this reason that Molinari refused to call himself an anarchist in spite of their many similarities in political theory. Molinari refused to accept the socialist economic ideas of Proudhon ... in Molinari's mind, the term 'anarchist' was intimately linked with socialist and statist economic views."* [**Op. Cit.**, p. 415]

Yet Proudhon's economic views, like Godwin's, flowed from his anarchist analysis and principles. They cannot be arbitrarily separated as Hart suggests. So while arguing that *"Molinari was just as much an anarchist as Proudhon,"* Hart forgets the key

issue. Proudhon was aware that private property ensured that the proletarian did not exercise *"self-government"* during working hours, i.e. that he was ruled by another. As for Hart claiming that Proudhon had *"statist economic views"* it simply shows how far an "anarcho"-capitalist perspective is from genuine anarchism. Proudhon's economic analysis, his critique of private property and capitalism, flowed from his anarchism and was an integral aspect of it.

By restricting anarchism purely to opposition to the state, Hart is impoverishing anarchist theory and denying its history. Given that anarchism was born from a critique of private property as well as government, this shows the false nature of Hart's claim that *"Molinari was the first to develop a theory of free-market, proprietary anarchism that extended the laws of the market and a rigorous defence of property to its logical extreme."* [**Op. Cit.**, p. 415 and p. 416] Hart shows how far from anarchism Molinari was as Proudhon had turned his anarchist analysis to property, showing that *"defence of property"* lead to the oppression of the many by the few in social relationships identical to those which mark the state. Moreover, Proudhon, argued the state would always be required to defend such social relations. Privatising it would hardly be a step forward.

Unsurprisingly, Proudhon dismissed the idea that the laissez faire capitalists shared his goals. *"The school of Say,"* Proudhon argued, was *"the chief focus of counter-revolution next to the Jesuits"* and *"has for ten years past seemed to exist only to protect and applaud the execrable work of the monopolists of money and necessities, deepening more and more the obscurity of a science [economics] naturally difficult and full of complications"* (much the same can be said of "anarcho"-capitalists, incidentally). For Proudhon, *"the disciples of Malthus and of Say, who oppose with all their might any intervention of the State in matters commercial or industrial, do not fail to avail themselves of this seemingly liberal attitude, and to show themselves more revolutionary than the Revolution. More than one honest searcher has been deceived*

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the name of society" is the state's *"last independent act as a state."* [**Selected Works**, p. 424]). He considered the *"capital goods built by the State"* as being *"philosophically unowned"* yet failed to note whose labour was exploited and taxed to build them in the first place (needless to say, he rejected the ideas of shares to all as this would be *"egalitarian handouts ... to undeserving citizens,"* presumably the ill, the unemployed, retirees, mothers, children, and future generations). [**The Logic of Action II**, p. 213, p. 212 and p. 209]

Industrial plants would be transferred to workers currently employed there, but not by their own direct action and direct expropriation. Rather, the state would do so. This is understandable as, left to themselves, the workers may not act quite as he desired. Thus we see him advocating the transfer of industry from the state bureaucracy to workers by means of *"private, negotiable shares"* as ownership was *"not to be granted to collectives or co-operatives or workers or peasants holistically, which would only bring back the ills of socialism in a decentralised and chaotic syndicalist form."* His "homesteading" was not to be done by the workers themselves rather it was a case of *"granting shares to workers"* by the state. He also notes that it should be a *"priority"* for the government *"to return all stolen, confiscated property to its original owners, or to their heirs."* This would involve *"finding original landowners"* — i.e., the landlord class whose wealth was based on exploiting the serfs and peasants. [**Op. Cit.**, p. 210 and pp. 211–2] Thus expropriated peasants would have their land returned but not, apparently, any peasants working land which had been taken from their feudal and aristocratic overlords by the state. Thus those who had just been freed from Stalinist rule would have been subjected to "libertarian" rule to ensure that the transition was done in the economically correct way. As it was, the neo-classical economists who did oversee the transition ensured that ownership and control transferred directly to a new ruling class rather than waste time issuing "shares" which would eventually end up in a few

hands due to market forces (the actual way it was done could be considered a modern form of "primitive accumulation" as it ensured that capital goods did not end up in the hands of the workers).

But this is beside the point. The fact remains that state action was required to create and maintain capitalism. Without state support it is doubtful that capitalism would have developed at all. So the only "capitalism" that has existed is a product of state support and intervention, and it has been characterised by markets that are considerably less than free. Thus, serious supporters of truly free markets (like the American Individualist Anarchists) have not been satisfied with "capitalism" — have, in fact, quite rightly and explicitly opposed it. Their vision of a free society has always been at odds with the standard capitalist one, a fact which "anarcho"-capitalists bemoan and dismiss as "mistakes" and/or the product of "bad economics." Apparently the net effect of all this state coercion has been, essentially, null. It has **not**, as the critics of capitalism have argued, fundamentally shaped the development of the economy as capitalism would have developed naturally by itself. Thus an economy marked by inequalities of wealth and power, where the bulk of the population are landless and resourceless and where interest, rent and profits are extracted from the labour of working people would have developed anyway regardless of the state coercion which marked the rise of capitalism and the need for a subservient and dependent working class by the landlords and capitalists which drove these policies simply accelerated the process towards "economic liberty." However, it is more than mere coincidence that capitalism and state coercion are so intertwined both in history and in current practice.

In summary, like other apologists for capitalism, right-wing "libertarians" advocate that system without acknowledging the means that were necessary to create it. They tend to equate it with any market system, failing to understand that it is a specific kind of market system where labour itself is a commodity.

It is ironic, of course, that most defenders of capitalism stress the importance of markets (which have pre-dated capitalism) while downplaying the importance of wage labour (which defines it) along with the violence which created it. Yet as both anarchists and Marxists have stressed, money and commodities do not define capitalism any more than private ownership of the means of production. So it is important to remember that from a socialist perspective capitalism is **not** identical to the market. As we stressed in section C.2, both anarchists and Marxists argue that where people produce for themselves, is not capitalist production, i.e. when a worker sells commodities this is not capitalist production. Thus the supporters of capitalism fail to understand that a great deal of state coercion was required to transform pre-capitalist societies of artisans and peasant farmers selling the produce of their labour into a capitalist society of wage workers selling themselves to bosses, bankers and landlords.

Lastly, it should be stressed that this process of primitive accumulation is not limited to private capitalism. State capitalism has also had recourse to such techniques. Stalin's forced collectivisation of the peasantry and the brutal industrialisation involved in five-year plans in the 1930s are the most obvious example). What took centuries in Britain was condensed into decades in the Soviet Union and other state capitalist regimes, with a corresponding impact on its human toil. However, we will not discuss these acts of state coercion here as we are concerned primarily with the actions required to create the conditions required for private capitalism.

Needless to say, this section cannot hope to go into all the forms of state intervention across the globe which were used to create or impose capitalism onto an unwilling population. All we can do is provide a glimpse into the brutal history of capitalism and provide enough references for those interested to pursue the issue further. The first starting point should be Part VIII (*"So-Called Primitive Accumulation"*) of volume 1 of Marx's

Capital. This classic account of the origins of capitalism should be supplemented by more recent accounts, but its basic analysis is correct. Marxist writers have expanded on Marx's analysis, with Maurice Dobb's **Studies in the Development of Capitalism** and David McNally's **Against the Market** are worth consulting, as is Michael Perelman's **The Invention of Capitalism**. Kropotkin's **Mutual Aid** has a short summary of state action in destroying communal institutions and common ownership of land, as does his **The State: It's Historic Role**. Rudolf Rocker's **Nationalism and Culture** is also essential reading. Individualist Anarchist Kevin Carson's **Studies in Mutualist Political Economy** provides an excellent summary (see part 2, *"Capitalism and the State: Past, Present and Future"*) as does his essay **The Iron Fist behind the Invisible Hand**.

F.8.1 What social forces lay behind the rise of capitalism?

Capitalist society is a relatively recent development. For Marx, while markets have existed for millennium *"the capitalist era dates from the sixteenth century."* [**Capital**, vol. 1, p. 876] As Murray Bookchin pointed out, for a *"long era, perhaps spanning more than five centuries,"* capitalism *"coexisted with feudal and simple commodity relationships"* in Europe. He argues that this period *"simply cannot be treated as 'transitional' without reading back the present into the past."* [**From Urbanisation to Cities**, p. 179] In other words, capitalism was not a inevitable outcome of "history" or social evolution.

Bookchin went on to note that capitalism existed *"with growing significance in the mixed economy of the West from the fourteenth century up to the seventeenth"* but that it *"literally exploded into being in Europe, particularly England, during the eighteenth and especially nineteenth centuries."* [**Op. Cit.**, p. 181] The question arises, what lay behind this *"growing signif-*

icance"? Did capitalism *"explode"* due to its inherently more efficient nature or where there other, non-economic, forces at work? As we will show, it was most definitely the second — capitalism was born not from economic forces but from the political actions of the social elites which its usury enriched. Unlike artisan (simple commodity) production, wage labour generates inequalities and wealth for the few and so will be selected, protected and encouraged by those who control the state in their own economic and social interests.

The development of capitalism in Europe was favoured by two social elites, the rising capitalist class within the degenerating medieval cities and the absolutist state. The medieval city was *"thoroughly changed by the gradual increase in the power of commercial capital, due primarily to foreign trade ... By this the inner unity of the commune was loosened, giving place to a growing caste system and leading necessarily to a progressive inequality of social interests. The privileged minorities pressed ever more definitely towards a centralisation of the political forces of the community... Mercantilism in the perishing city republics led logically to a demand for larger economic units [i.e. to nationalise the market]; and by this the desire for stronger political forms was greatly strengthened ... Thus the city gradually became a small state, paving the way for the coming national state."* [Rudolf Rocker, **Nationalism and Culture**, p. 94] Kropotkin stressed that in this destruction of communal self-organisation the state not only served the interests of the rising capitalist class but also its own. Just as the landlord and capitalist seeks a workforce and labour market made up of atomised and isolated individuals, so does the state seek to eliminate all potential rivals to its power and so opposes *"all coalitions and all private societies, whatever their aim."* [**The State: It's Historic role**, p. 53]

The rising economic power of the proto-capitalists conflicted with that of the feudal lords, which meant that the former required help to consolidate their position. That aid came in the form of the monarchical state which, in turn, needed support

against the feudal lords. With the force of absolutism behind it, capital could start the process of increasing its power and influence by expanding the "market" through state action. This use of state coercion was required because, as Bookchin noted, *"[i]n every pre-capitalist society, countervailing forces ... existed to restrict the market economy. No less significantly, many pre-capitalist societies raised what they thought were insuperable obstacles to the penetration of the State into social life."* He noted the *"power of village communities to resist the invasion of trade and despotic political forms into society's abiding communal substrate."* State violence was required to break this resistance and, unsurprisingly the *"one class to benefit most from the rising nation-state was the European bourgeoisie ... This structure ... provided the basis for the next great system of labour mobilisation: the factory."* [**The Ecology of Freedom**, pp. 207–8 and p. 336] The absolutist state, noted Rocker, *"was dependent upon the help of these new economic forces, and vice versa* and so it *"at first furthered the plans of commercial capital"* as its coffers were filled by the expansion of commerce. Its armies and fleets *"contributed to the expansion of industrial production because they demanded a number of things for whose large-scale production the shops of small tradesmen were no longer adapted. Thus gradually arose the so-called manufactures, the forerunners of the later large industries."* [**Op. Cit.**, pp. 117–8] As such, it is impossible to underestimate the role of state power in creating the preconditions for both agricultural and industrial capitalism.

Some of the most important state actions from the standpoint of early industry were the so-called Enclosure Acts, by which the "commons" — the free farmland shared communally by the peasants in most rural villages — was "enclosed" or incorporated into the estates of various landlords as private property (see section F.8.3). This ensured a pool of landless workers who had no option but to sell their labour to landlords and capitalists. Indeed, the widespread independence caused by the

possession of the majority of households of land caused the rising class of capitalists to complain, as one put it, *"that men who should work as wage-labourers cling to the soil, and in the naughtiness of their hearts prefer independence as squatters to employment by a master."* [quoted by Allan Engler, **The Apostles of Greed**, p. 12] Once in service to a master, the state was always on hand to repress any signs of *"naughtiness"* and *"independence"* (such as strikes, riots, unions and the like). For example, Seventeenth century France saw a *"number of decrees ... which forbade workers to change their employment or which prohibited assemblies of workers or strikes on pain of corporal punishment or even death. (Even the Theological Faculty of the University of Paris saw fit to pronounce solemnly against the sin of workers' organisation)."* [Maurice Dobb, **Studies in Capitalism Development**, p. 160]

In addition, other forms of state aid ensured that capitalist firms got a head start, so ensuring their dominance over other forms of work (such as co-operatives). A major way of creating a pool of resources that could be used for investment was the use of mercantilist policies which used protectionist measures to enrich capitalists and landlords at the expense of consumers and their workers. For example, one of most common complaints of early capitalists was that workers could not turn up to work regularly. Once they had worked a few days, they disappeared as they had earned enough money to live on. With higher prices for food, caused by protectionist measures, workers had to work longer and harder and so became accustomed to factory labour. In addition, mercantilism allowed native industry to develop by barring foreign competition and so allowed industrialists to reap excess profits which they could then use to increase their investments. In the words of Marxist economic historian Maurice Dobb:

> *"In short, the Mercantile System was a system of State-regulated exploitation through trade which*

> *played a highly important rule in the adolescence of capitalist industry: it was essentially the economic policy of an age of primitive accumulation.*" [**Op. Cit.**, p. 209]

As Rocker summarises, *"when absolutism had victoriously overcome all opposition to national unification, by its furthering of mercantilism and economic monopoly it gave the whole social evolution a direction which could only lead to capitalism."* [**Op. Cit.**, pp. 116–7]

Mercantilist policies took many forms, including the state providing capital to new industries, exempting them from guild rules and taxes, establishing monopolies over local, foreign and colonial markets, and granting titles and pensions to successful capitalists. In terms of foreign trade, the state assisted home-grown capitalists by imposing tariffs, quotas, and prohibitions on imports. They also prohibited the export of tools and technology as well as the emigration of skilled workers to stop competition (this applied to any colonies a specific state may have had). Other policies were applied as required by the needs of specific states. For example, the English state imposed a series of Navigation Acts which forced traders to use English ships to visit its ports and colonies (this destroyed the commerce of Holland, its chief rival). Nor should the impact of war be minimised, with the demand for weapons and transportation (including ships) injecting government spending into the economy. Unsurprisingly, given this favouring of domestic industry at the expense of its rivals and the subject working class population the mercantilist period was one of generally rapid growth, particularly in England.

As we discussed in section C.10, some kind of mercantilism has always been required for a country to industrialise. Over all, as economist Paul Ormerod puts it, the *"advice to follow pure free-market polices seems ... to be contrary to the lessons of virtually the whole of economic history since the Industrial Revo-*

lution ... every country which has moved into ... strong sustained growth ... has done so in outright violation of pure, free-market principles." These interventions include the use of *"tariff barriers"* to protect infant industries, *"government subsidies"* and *"active state intervention in the economy."* He summarises: *"The model of entrepreneurial activity in the product market, with judicious state support plus repression in the labour market, seems to be a good model of economic development."* [**The Death of Economics**, p. 63]

Thus the social forces at work creating capitalism was a combination of capitalist activity and state action. But without the support of the state, it is doubtful that capitalist activity would have been enough to generate the initial accumulation required to start the economic ball rolling. Hence the necessity of Mercantilism in Europe and its modified cousin of state aid, tariffs and "homestead acts" in America.

F.8.2 What was the social context of the statement "laissez-faire?"

The honeymoon of interests between the early capitalists and autocratic kings did not last long. *"This selfsame monarchy, which for weighty reasons sought to further the aims of commercial capital and was... itself aided in its development by capital, grew at last into a crippling obstacle to any further development of European industry."* [Rudolf Rocker, **Nationalism and Culture**, p. 117]

This is the social context of the expression *"laissez-faire"* — a system which has outgrown the supports that protected it in its early stages. Just as children eventually rebel against the protection and rules of their parents, so the capitalists rebelled against the over-bearing support of the absolutist state. Mercantilist policies favoured some industries and harmed the growth of others. The rules and regulations imposed upon

those it did favour reduced the flexibility of capitalists to changing environments. As Rocker argues, *"no matter how the absolutist state strove, in its own interest, to meet the demands of commerce, it still put on industry countless fetters which became gradually more and more oppressive ... [it] became an unbearable burden ... which paralysed all economic and social life."* [**Op. Cit.**, p. 119] All in all, mercantilism became more of a hindrance than a help and so had to be replaced. With the growth of economic and social power by the capitalist class, this replacement was made easier. As Errico Malatesta notes:

> *"The development of production, the vast expansion of commerce, the immeasurable power assumed by money ... have guaranteed this supremacy [of economic power over political power] to the capitalist class which, no longer content with enjoying the support of the government, demanded that government arise from its own ranks. A government which owed its origin to the right of conquest ... though subject by existing circumstances to the capitalist class, went on maintaining a proud and contemptuous attitude towards its now wealthy former slaves, and had pretensions to independence of domination. That government was indeed the defender, the property owners' gendarme, but the kind of gendarmes who think they are somebody, and behave in an arrogant manner towards the people they have to escort and defend, when they don't rob or kill them at the next street corner; and the capitalist class got rid of it ... and replac[ed] it by a government of its own choosing, at all times under its control and specifically organised to defend that class against any possible demands by the disinherited."* [**Anarchy**, pp. 22–3]

Malatesta here indicates the true meaning of *"leave us alone,"* or *"laissez-faire."* The **absolutist** state (not "the state" per se) be-

gan to interfere with capitalists' profit-making activities and authority, so they determined that it had to go — which the rising capitalist class did when they utilised such popular movements as the English, French and American revolutions. In such circumstances, when the state is not fully controlled by the capitalist class, then it makes perfect sense to oppose state intervention no matter how useful it may have been in the past — a state run by aristocratic and feudal landlords does not produce class legislation in quite the right form. That changes when members of the capitalist class hold state power and when the landlords start acting more like rural capitalists and, unsurprisingly, laissez-faire was quickly modified and then abandoned once capitalists could rely on a ***capitalist*** state to support and protect its economic power within society.

When capitalism had been rid of unwanted interference by the hostile use of state power by non-capitalist classes then laissez-faire had its utility (just as it has its utility today when attacking social welfare). Once this had been accomplished then state intervention in society was encouraged and applauded by capitalists. *"It is ironic that the main protagonists of the State, in its political and administrative authority, were the middle-class Utilitarians, on the other side of whose Statist banner were inscribed the doctrines of economic Laissez Faire."* [E.P. Thompson, **The Making of the English Working Class**, p. 90] Capitalists simply wanted **capitalist** states to replace monarchical states, so that heads of government would follow state economic policies regarded by capitalists as beneficial to their class as a whole. And as development economist Lance Taylor argues:

> *"In the long run, there are no laissez-faire transitions to modern economic growth. The state has always intervened to create a capitalist class, and then it has to regulate the capitalist class, and then the state has to worry about being taken over by the capitalist*

class, but the state has always been there." [quoted by Noam Chomsky, **Year 501**, p. 104]

In order to attack mercantilism, the early capitalists had to ignore the successful impact of its policies in developing industry and a "store of wealth" for future economic activity. As William Lazonick points out, *"the political purpose of [Adam Smith's] the* ***Wealth of Nations*** *was to attack the mercantilist institutions that the British economy had built up over the previous two hundred years. Yet in proposing institutional change, Smith lacked a dynamic historical analysis. In his attack on these institutions, Smith might have asked why the extent of the world market available to Britain in the late eighteenth century was* ***so uniquely under British control****. If Smith had asked this 'big question,' he might have been forced to grant credit for Britain's extent of the world market to the very mercantilist institutions he was attacking."* Moreover, he *"might have recognised the integral relation between economic and political power in the rise of Britain to international dominance."* Overall, *"[w]hat the British advocates of laissez-faire neglected to talk about was the role that a system of national power had played in creating conditions for Britain to embark on its dynamic development path ... They did not bother to ask how Britain had attained th[e] position [of 'workshop of the world'], while they conveniently ignored the on going system of national power — the British Empire — that ... continued to support Britain's position."* [**Business Organisation and the Myth of the Market Economy**, p. 2, p. 3 and p.5]

Similar comments are applicable to American supporters of laissez faire who fail to notice that the "traditional" American support for world-wide free trade is quite a recent phenomenon. It started only at the end of the Second World War (although, of course, **within** America military Keynesian policies were utilised). While American industry was developing, the state and capitalist class had no time for laissez-faire (see section F.8.5 for details). After it had grown strong, the United

could be maintained as economic power was/is usually effective enough to ensure that state violence could be used as a last resort. Coercive practices are still possible, of course, but market forces are usually sufficient as the market is usually skewed against the working class. However, the role of the state remains a key to understanding capitalism as a system rather than just specific periods of it. This is because, as we stressed in section D.1, state action is not associated only with the past, with the transformation from feudalism to capitalism. It happens today and it will continue to happen as long as capitalism continues.

Far from being a "natural" development, then, capitalism was imposed on a society by state action, by and on behalf of ruling elites. Those working class people alive at the time viewed it as *"unnatural relations"* and organised to overcome it. It is from such movements that all the many forms of socialism sprang, including anarchism. This is the case with the European anarchism associated with Proudhon, Bakunin and Kropotkin as well as the American individualist anarchism of Warren and Tucker. The links between anarchism and working class rebellion against the autocracy of capital and the state is reflected not only in our theory and history, but also in our anarchist symbols. The Black Flag, for example, was first raised by rebel artisans in France and its association with labour insurrection was the reason why anarchists took it up as our symbol (see the appendix on "The Symbols of Anarchy"). So given both the history of capitalism and anarchism, it becomes obvious any the latter has always opposed the former. It is why anarchists today still seek to encourage the desire and hope for political **and** economic freedom rather than the changing of masters we have under capitalism. Anarchism will continue as long as these feelings and hopes still exist and they will remain until such time as we organise and abolish capitalism and the state.

ceded it. *"Today, we are so accustomed to this method of production [capitalism] and its concomitant, the wage system, that it requires quite an effort of imagination to appreciate the significance of the change in terms of the lives of ordinary workers ... the worker became **alienated** ... from the means of production and the products of his labour ... In these circumstances, it is not surprising that the new socialist theories proposed an alternative to the capitalist system which would avoid this alienation."* While wage slavery may seem "natural" today, the first generation of wage labourers saw the transformation of the social relationships they experienced in work, from a situation in which they controlled their own work (and so themselves) to one in which **others** controlled them, and they did not like it. However, while many modern workers instinctively hate wage labour and having bosses, without the awareness of some other method of working, many put up with it as "inevitable." The first generation of wage labourers had the awareness of something else (although a flawed and limited something else as it existed in a hierarchical and class system) and this gave then a deep insight into the nature of capitalism and produced a deeply radical response to it and its authoritarian structures. Anarchism (like other forms of socialism) was born of the demand for liberty and resistance to authority which capitalism had provoked in its wage slaves. With our support for workers' self-management of production, *"as in so many others, the anarchists remain guardians of the libertarian aspirations which moved the first rebels against the slavery inherent in the capitalist mode of production."* [Ostergaard, **Op. Cit.**, p. 27 and p. 90]

State action was required produce and protect the momentous changes in social relations which are central to the capitalist system. However, once capital **has** separated the working class from the means of life, then it no longer had to rely as much on state coercion. With the choice now between wage slavery or starving, then the appearance of voluntary choice

States began preaching laissez-faire to the rest of the world — and began to kid itself about its own history, believing its slogans about laissez-faire as the secret of its success. Yet like all other successful industrialisers, the state could aid capitalists directly and indirectly (via tariffs, land policy, repression of the labour movement, infrastructure subsidy and so on) and it would "leave them alone" to oppress and exploit workers, exploit consumers, build their industrial empires and so forth.

Takis Fotopoules indicates that the social forces at work in "freeing" the market did not represent a "natural" evolution towards freedom:

> *"Contrary to what liberals and Marxists assert, marketisation of the economy was not just an evolutionary process, following the expansion of trade under mercantilism ... modern [i.e. capitalist] markets did not evolve out of local markets and/or markets for foreign goods ... the nation-state, which was just emerging at the end of the Middle Ages, played a crucial role creating the conditions for the 'nationalisation' of the market ... and ... by freeing the market from effective social control."* [*"The Nation-state and the Market"*, pp. 37–80 **Society and Nature**, Vol. 2, No. 2, pp. 44–45]

The "freeing" of the market means freeing those who "own" most of the market (i.e. the wealthy elite) from *"effective social control,"* but the rest of society was not as lucky. Kropotkin makes a similar point: *"While giving the capitalist any degree of free scope to amass his wealth at the expense of the helpless labourers, the government has **nowhere** and **never** ... afforded the labourers the opportunity 'to do as they pleased'."* [**Anarchism**, p. 182]

So, the expression "laissez-faire" dates from the period when capitalists were objecting to the restrictions that helped create

them in the first place. It has little to do with freedom as such and far more to do with the needs of capitalist power and profits. It should also be remembered that at this time the state was run by the rich and for the rich. Elections, where they took place, involved the wealthiest of male property owners. This meant there were two aspects in the call for laissez-faire. On the one hand, by the elite to eliminate regulations and interventions they found burdensome and felt unnecessary as their social position was secure by their economic power (mercantilism evolved into capitalism proper when market power was usually sufficient to produce dependency and obedience as the working class had been successfully dispossessed from the land and the means of production). On the other, serious social reformers (like Adam Smith) who recognised that the costs of such elite inspired state regulations generally fell on working class people. The moral authority of the latter was used to bolster the desire of the former to maximise their wealth by imposing costs of others (workers, customers, society and the planet's eco-system) with the state waiting in the wings to support them as and when required.

Unsurprising, working class people recognised the hypocrisy of this arrangement (even if most modern-day right-"libertarians" do not and provide their services justifying the actions and desires of repressive and exploitative oligarchs seeking monopolistic positions). They turned to political and social activism seeking to change a system which saw economic and political power reinforce each other. Some (like the Chartists and Marxists) argued for political reforms to generalise democracy into genuine one person, one vote. In this way, political liberty would be used to end the worse excesses of so-called "economic liberty" (i.e., capitalist privilege and power). Others (like mutualists) aimed at economic reforms which ensure that the capitalist class would be abolished by means of genuine economic freedom. Finally, most other anarchists argued that revolutionary change was

[**Competitive Advantage on the Shop Floor**, p. 37] British workers shared the dislike of wage labour of their American cousins. A *"Member of the Builders' Union"* in the 1830s argued that the trade unions *"will not only strike for less work, and more wages, but will ultimately* ***abolish wages****, become their own masters and work for each other; labour and capital will no longer be separate but will be indissolubly joined together in the hands of workmen and work-women."* [quoted by E. P. Thompson, **Op. Cit.**, p. 912] This perspective inspired the **Grand National Consolidated Trades Union** of 1834 which had the *"two-fold purpose of syndicalist unions — the protection of the workers under the existing system and the formation of the nuclei of the future society"* when the unions *"take over the whole industry of the country."* [Geoffrey Ostergaard, **The Tradition of Workers' Control**, p. 133] As Thompson noted, *"industrial syndicalism"* was a major theme of this time in the labour movement. *"When Marx was still in his teens,"* he noted, British trade unionists had *"developed, stage by stage, a theory of syndicalism"* in which the *"unions themselves could solve the problem of political power"* along with wage slavery. This vision was lost *"in the terrible defeats of 1834 and 1835."* [**Op. Cit.**, p. 912 and p. 913] In France, the mutualists of Lyons had come to the same conclusions, seeking *"the formation of a series of co-operative associations"* which would *"return to the workers control of their industry."* Proudhon would take up this theme, as would the anarchist movement he helped create. [K. Steven Vincent, **Pierre-Jospeh Proudhon and the Rise of French Republican Socialism**, pp. 162–3] Similar movements and ideas developed elsewhere, as capitalism was imposed (subsequent developments were obviously influenced by the socialist ideas which had arisen earlier and so were more obviously shaped by anarchist and Marxist ideas).

This is unsurprising, the workers then, who had not been swallowed up whole by the industrial revolution, could make critical comparisons between the factory system and what pre-

contrast, were perfectly aware that wage labour was wage slavery — that they were decidedly **unfree** during working hours and subjected to the will of another. The workers therefore attacked capitalism precisely because it was despotism (*"monarchical principles on democratic soil"*) and thought they *"who work in the mills ought to own them."* Unsurprisingly, when workers did revolt against the benevolent despots, the workers noted how the bosses responded by marking *"every person with intelligence and independence ... He is a suspected individual and must be either got rid of or broken in. Hundreds of honest labourers have been dismissed from employment ... because they have been suspected of knowing their rights and daring to assert them."* [quoted by Ware, **Op. Cit.**, p. 78, p. 79 and p. 110]

While most working class people now are accustomed to wage labour (while often hating their job) the actual process of resistance to the development of capitalism indicates well its inherently authoritarian nature and that people were not inclined to accept it as "economic freedom." Only once other options were closed off and capitalists given an edge in the "free" market by state action did people accept and become accustomed to wage labour. As E. P. Thompson notes, for British workers at the end of the 18th and beginning of the 19th centuries, the *"gap in status between a 'servant,' a hired wage-labourer subject to the orders and discipline of the master, and an artisan, who might 'come and go' as he pleased, was wide enough for men to shed blood rather than allow themselves to be pushed from one side to the other. And, in the value system of the community, those who resisted degradation were in the right."* [**The Making of the English Working Class**, p. 599]

Opposition to wage labour and factory fascism was/is widespread and seems to occur wherever it is encountered. *"Research has shown"*, summarises William Lazonick, *"that the 'free-born Englishman' of the eighteenth century — even those who, by force of circumstance, had to submit to agricultural wage labour — tenaciously resisted entry into the capitalist workshop."*

required as the state and capitalism were so intertwined that both had to be ended at the same time. However, the struggle against state power always came from the general population. As Murray Bookchin argued, it is an error to depict this *"revolutionary era and its democratic aspirations as 'bourgeois,' an imagery that makes capitalism a system more committed to freedom, or even ordinary civil liberties, than it was historically."* [**From Urbanisation to Cities**, p. 180f] While the capitalist class may have benefited from such popular movements as the English, American and French revolutions but these revolutions were not led, never mind started or fought, by the bourgeoisie.

Not much as changed as capitalists are today seeking maximum freedom from the state to ensure maximum authority over their wage slaves and society. The one essential form of support the "Libertarian" right wants the state (or "defence" firms) to provide capitalism is the enforcement of property rights — the right of property owners to "do as they like" on their own property, which can have obvious and extensive social impacts. What "libertarian" capitalists object to is attempts by others — workers, society as a whole, the state, etc. — to interfere with the authority of bosses. That this is just the defence of privilege and power (and **not** freedom) has been discussed in section B and elsewhere in section F, so we will not repeat ourselves here. Samuel Johnson once observed that *"we hear the loudest **yelps** for liberty among the drivers of Negroes."* [quoted by Noam Chomsky, **Year 501**, p. 141] Our modern "libertarian" capitalist drivers of wage-slaves are yelping for exactly the same kind of "liberty."

F.8.3 What other forms did state intervention in creating capitalism take?

Beyond being a paymaster for new forms of production and social relations as well as defending the owners' power, the state intervened economically in other ways as well. As we noted in section B.2.5, the state played a key role in transforming the law codes of society in a capitalistic fashion, ignoring custom and common law when it was convenient to do so. Similarly, the use of tariffs and the granting of monopolies to companies played an important role in accumulating capital at the expense of working people, as did the breaking of unions and strikes by force.

However, one of the most blatant of these acts was the enclosure of common land. In Britain, by means of the Enclosure Acts, land that had been freely used by poor peasants was claimed by large landlords as private property. As socialist historian E.P. Thompson summarised, *"the social violence of enclosure consisted ... in the drastic, total imposition upon the village of capitalist property-definitions."* [**The Making of the English Working Class**, pp. 237–8] Property rights, which favoured the rich, replaced the use rights and free agreement that had governed peasants use of the commons. Unlike use rights, which rest in the individual, property rights require state intervention to create and maintain. *"Parliament and law imposed capitalist definitions to exclusive property in land,"* Thompson notes. This process involved ignoring the wishes of those who used the commons and repressing those who objected. Parliament was, of course, run by and for the rich who then simply *"observed the rules which they themselves had made."* [**Customs in Common**, p. 163]

Unsurprisingly, many landowners would become rich through the enclosure of the commons, heaths and downland while many ordinary people had a centuries old right taken

Little wonder, then, why wage labourers considered capitalism as a modified form of slavery and why the term *"wage slavery"* became so popular in the labour and anarchist movements. It was just reflecting the feelings of those who experienced the wages system at first hand and who created the labour and socialist movements in response. As labour historian Norman Ware notes, the *"term 'wage slave' had a much better standing in the forties [of the 19th century] than it has today. It was not then regarded as an empty shibboleth of the soap-box orator. This would suggest that it has suffered only the normal degradation of language, has become a* ***cliche****, not that it is a grossly misleading characterisation."* [**Op. Cit.**, p. xvf] It is no coincidence that, in America, the first manufacturing complex in Lowell was designed to symbolise its goals and its hierarchical structure nor that its design was emulated by many of the penitentiaries, insane asylums, orphanages and reformatories of the period. [Bookchin, **The Ecology of Freedom**, p. 392]

These responses of workers to the experience of wage labour is important as they show that capitalism is by no means "natural." The fact is the first generation of workers tried to avoid wage labour is at all possible — they hated the restrictions of freedom it imposed upon them. Unlike the bourgeoisie, who positively eulogised the discipline they imposed on others. As one put it with respect to one corporation in Lowell, New England, the factories at Lowell were *"a new world, in its police it is* ***imperium in imperio****. It has been said that an absolute despotism, justly administered ... would be a perfect government ... For at the same time that it is an absolute despotism, it is a most perfect democracy. Any of its subjects can depart from it at pleasure ... Thus all the philosophy of mind which enter vitally into government by the people ... is combined with a set of rule which the operatives have no voice in forming or administering, yet of a nature not merely perfectly just, but human, benevolent, patriarchal in a high degree."* Those actually subjected to this *"benevolent"* dictatorship had a somewhat different perspective. Workers, in

nineteenth-century employers a controlling authority over the employees founded upon the pre-industrial master's claim to property in his servant's personal services." Courts were *"having recourse to master/servant's language of power and control"* as the *"preferred strategy for dealing with the employment relation"* and so advertised their conclusion that *"employment relations were properly to be conceived of as generically hierarchical."* [**Op. Cit.**, p. 231 and p. 225] As we noted in last section the courts, judges and jurists acted to outlaw unions as conspiracies and force workers to work the full length of their contracts. In addition, they also reduced employer liability in industrial accidents (which, of course, helped lower the costs of investment as well as operating costs).

Artisans and farmers correctly saw this as a process of downward mobility toward wage labour and almost as soon as there were wage workers, there were strikes, machine breaking, riots, unions and many other forms of resistance. John Zerzan's argument that there was a *"relentless assault on the worker's historical rights to free time, self-education, craftsmanship, and play was at the heart of the rise of the factory system"* is extremely accurate. [**Elements of Refusal**, p. 105] And it was an assault that workers resisted with all their might. In response to being subjected to the wage labour, workers rebelled and tried to organise themselves to fight the powers that be and to replace the system with a co-operative one. As the printer's union argued, its members *"regard such an organisation [a union] not only as an agent of immediate relief, but also as an essential to the ultimate destruction of those unnatural relations at present subsisting between the interests of the employing and the employed classes ... when labour determines to sell itself no longer to speculators, but to become its own employer, to own and enjoy itself and the fruit thereof, the necessity for scales of prices will have passed away and labour will be forever rescued from the control of the capitalist."* [quoted by Brecher and Costello, **Op. Cit.**, pp. 27–28]

away. Land enclosure was a gigantic swindle on the part of large landowners. In the words of one English folk poem written in 1764 as a protest against enclosure:

> *They hang the man, and flog the woman,*
> *That steals the goose from off the common;*
> *But let the greater villain loose,*
> *That steals the common from the goose.*

It should be remembered that the process of enclosure was not limited to just the period of the industrial revolution. As Colin Ward notes, *"in Tudor times, a wave of enclosures by landowners who sought to profit from the high price of wool had deprived the commoners of their livelihood and obliged them to seek work elsewhere or become vagrants or squatters on the wastes on the edges of villages."* [**Cotters and Squatters**, p. 30] This first wave increased the size of the rural proletariat who sold their labour to landlords. Nor should we forget that this imposition of capitalist property rights did not imply that it was illegal. As Michael Perelman notes, *"[f]ormally, this dispossession was perfectly legal. After all, the peasants did not have property rights in the narrow sense. They only had traditional rights. As markets evolved, first land-hungry gentry and later the bourgeoisie used the state to create a legal structure to abrogate these traditional rights."* [**The Invention of Capitalism**, pp. 13–4]

While technically legal as the landlords made the law, the impact of this stealing of the land should not be under estimated. Without land, you cannot live and have to sell your liberty to others. This places those with capital at an advantage, which will tend to increase, rather than decrease, the inequalities in society (and so place the landless workers at an increasing disadvantage over time). This process can be seen from early stages of capitalism. With the enclosure of the land an agricultural workforce was created which had to travel where the work was. This influx of landless ex-peasants into the towns en-

sured that the traditional guild system crumbled and was transformed into capitalistic industry with bosses and wage slaves rather than master craftsmen and their journeymen. Hence the enclosure of land played a key role, for *"it is clear that economic inequalities are unlikely to create a division of society into an employing master class and a subject wage-earning class, unless access to the means of production, including land, is by some means or another barred to a substantial section of the community."* [Maurice Dobb, **Studies in Capitalist Development**, p. 253]

The importance of access to land is summarised by this limerick by the followers of Henry George (a 19th century writer who argued for a *"single tax"* and the nationalisation of land). The Georgites got their basic argument on the importance of land down these few, excellent, lines:

> *A college economist planned*
> *To live without access to land*
> *He would have succeeded*
> *But found that he needed*
> *Food, shelter and somewhere to stand.*

Thus anarchists concern over the *"land monopoly"* of which the Enclosure Acts were but one part. The land monopoly, to use Tucker's words, *"consists in the enforcement by government of land titles which do not rest upon personal occupancy and cultivation."* [**The Anarchist Reader**, p. 150] So it should be remembered that common land did **not** include the large holdings of members of the feudal aristocracy and other landlords. This helped to artificially limit available land and produce a rural proletariat just as much as enclosures.

It is important to remember that wage labour first developed on the land and it was the protection of land titles of landlords and nobility, combined with enclosure, that meant people could not just work their own land. The pressing eco-

and self-respect. May the piano trade be spared such exhibitions of the degrading power of the day [wage] system." [quoted by Brecher and Costello, **Common Sense for Hard Times**, p. 26]

Clearly the working class did not consider working for a daily wage, in contrast to working for themselves and selling their own product, to be a step forward for liberty or individual dignity. The difference between selling the product of one's labour and selling one's labour (i.e. oneself) was seen and condemned (*"[w]hen the producer ... sold his product, he retained himself. But when he came to sell his labour, he sold himself ... the extension [of wage labour] to the skilled worker was regarded by him as a symbol of a deeper change."* [Norman Ware, **The Industrial Worker, 1840–1860**, p. xiv]). Indeed, one group of workers argued that they were *"slaves in the strictest sense of the word"* as they had *"to toil from the rising of the sun to the going down of the same for our masters — aye, masters, and for our daily bread."* [quoted by Ware, **Op. Cit.**, p. 42] Another group argued that *"the factory system contains in itself the elements of slavery, we think no sound reasoning can deny, and everyday continues to add power to its incorporate sovereignty, while the sovereignty of the working people decreases in the same degree."* [quoted by Brecher and Costello, **Op. Cit.**, p. 29] For working class people, free labour meant something radically different than that subscribed to by employers and economists. For workers, free labour meant economic independence through the ownership of productive equipment or land. For bosses, it meant workers being free of any alternative to consenting to authoritarian organisations within their workplaces — if that required state intervention (and it did), then so be it.

The courts, of course, did their part in ensuring that the law reflected and bolstered the power of the boss rather than the worker. *"Acting piecemeal,"* summarises Tomlins, *"the law courts and law writers of the early republic built their approach to the employment relationship on the back of English master/servant law. In the process, they vested in the generality of*

"great majority of Americans were farmers working their own land, primarily for their own needs. Most of the rest were self-employed artisans, merchants, traders, and professionals. Other classes — employees and industrialists in the North, slaves and planters in the South — were relatively small. The great majority of Americans were independent and free from anybody's command." [**Strike!**, p. xxi] So the availability of land ensured that in America, slavery and indentured servants were the only means by which capitalists could get people to work for them. This was because slaves and servants were not able to leave their masters and become self-employed farmers or artisans. As noted in the last section this material base was, ironically, acknowledged by Rothbard but the implications for freedom when it disappeared was not. While he did not ponder what would happen when that supply of land ended and whether the libertarian aspects of early American society would survive, contemporary politicians, bosses, and economists did. Unsurprisingly, they turned to the state to ensure that capitalism grew on the grave of artisan and farmer property.

Toward the middle of the 19th century the economy began to change. Capitalism began to be imported into American society as the infrastructure was improved by state aid and tariff walls were constructed which allowed home-grown manufacturing companies to develop. Soon, due to (state-supported) capitalist competition, artisan production was replaced by wage labour. Thus "evolved" modern capitalism. Many workers understood, resented, and opposed their increasing subjugation to their employers, which could not be reconciled with the principles of freedom and economic independence that had marked American life and had sunk deeply into mass consciousness during the days of the early economy. In 1854, for example, a group of skilled piano makers hoped that *"the day is far distant when they [wage earners] will so far forget what is due to manhood as to glory in a system forced upon them by their necessity and in opposition to their feelings of independence*

nomic circumstances created by enclosing the land and enforcing property rights to large estates ensured that capitalists did not have to point a gun at people's heads to get them to work long hours in authoritarian, dehumanising conditions. In such circumstances, when the majority are dispossessed and face the threat of starvation, poverty, homelessness and so on, "initiation of force" is **not required**. But guns **were** required to enforce the system of private property that created the labour market in the first place, to enclosure common land and protect the estates of the nobility and wealthy.

By decreasing the availability of land for rural people, the enclosures destroyed working-class independence. Through these Acts, innumerable peasants were excluded from access to their former means of livelihood, forcing them to seek work from landlords or to migrate to the cities to seek work in the newly emerging factories of the budding industrial capitalists who were thus provided with a ready source of cheap labour. The capitalists, of course, did not describe the results this way, but attempted to obfuscate the issue with their usual rhetoric about civilisation and progress. Thus John Bellers, a 17th-century supporter of enclosures, claimed that commons were *"a hindrance to Industry, and ... Nurseries of Idleness and Insolence."* The *"forests and great Commons make the Poor that are upon them too much like the **indians**."* [quoted by Thompson, **Op. Cit.**, p. 165] Elsewhere Thompson argues that the commons *"were now seen as a dangerous centre of indiscipline ... Ideology was added to self-interest. It became a matter of public-spirited policy for gentlemen to remove cottagers from the commons, reduce his labourers to dependence."* [**The Making of the English Working Class**, pp. 242–3] David McNally confirms this, arguing *"it was precisely these elements of material and spiritual independence that many of the most outspoken advocates of enclosure sought to destroy."* Eighteenth-century proponents of enclosure *"were remarkably forthright in this respect. Common rights and access to common lands, they argued, allowed a de-*

gree of social and economic independence, and thereby produced a lazy, dissolute mass of rural poor who eschewed honest labour and church attendance ... Denying such people common lands and common rights would force them to conform to the harsh discipline imposed by the market in labour." [**Against the Market**, p. 19]

The commons gave working-class people a degree of independence which allowed them to be "insolent" to their betters. This had to be stopped, as it undermined to the very roots of authority relationships within society. The commons **increased** freedom for ordinary people and made them less willing to follow orders and accept wage labour. The reference to "Indians" is important, as the independence and freedom of Native Americans is well documented. The common feature of both cultures was communal ownership of the means of production and free access to it (usufruct). This is discussed further in section I.7 (Won't Libertarian Socialism destroy individuality?). As Bookchin stressed, the factory *"was not born from a need to integrate labour with modern machinery,"* rather it was to regulate labour and make it regular. For the *"irregularity, or 'naturalness,' in the rhythm and intensity of traditional systems of work contributed more towards the bourgeoisie's craze for social control and its savagely anti-naturalistic outlook than did the prices or earnings demanded by its employees. More than any single technical factor, this irregularity led to the rationalisation of labour under a single ensemble of rule, to a discipline of work and regulation of time that yielded the modern factory ... the initial goal of the factory was to dominate labour and destroy the worker's independence from capital."* [**The Ecology of Freedom** p. 406]

Hence the pressing need to break the workers' ties with the land and so the *"loss of this independence included the loss of the worker's contact with food cultivation ... To live in a cottage ... often meant to cultivate a family garden, possibly to pasture a cow, to prepare one's own bread, and to have the skills for keep-*

F.8.6 How did working people view the rise of capitalism?

The best example of how hated capitalism was can be seen by the rise and spread of the labour and socialist movements, in all their many forms, across the world. It is no coincidence that the development of capitalism also saw the rise of socialist theories. Nor was it a coincidence that the rising workers movement was subjected to extensive state repression, with unions, strikes and other protests being systematically repressed. Only once capital was firmly entrenched in its market position could economic power come to replace political force (although, of course, that always remained ready in the background to defend capitalist property and power).

The rise of unions, socialism and other reform movements and their repression was a feature of **all** capitalist countries. While America is sometime portrayed as an exception to this, in reality that country was also marked by numerous popular movements which challenged the rise of capitalism and the transformation of social relationships within the economy from artisanal self-management to capitalist wage slavery. As in other countries, the state was always quick to support the capitalist class against their rebellious wage slaves, using first conspiracy and then anti-trust laws against working class people and their organisations. So, in order to fully understand how different capitalism was from previous economic systems, we will consider early capitalism in the US, which for many right-"libertarians" is **the** example of the "capitalism-equals-freedom" argument.

Early America was pervaded by artisan production — individual ownership of the means of production. Unlike capitalism, this system is **not** marked by the separation of the worker from the means of life. Most people did not have to work for another, and so did not. As Jeremy Brecher notes, in 1831 the

tract they had completed. This *"underscored the judiciary's tendency to articulate their approval"* of the hierarchical master/servant relationship in terms of its *"social utility: It was a necessary and desirable feature of the social organisation of work ... that the employer's authority be reinforced in this way."* Appeals courts held that *"an employment contract was an entire contract, and therefore that no obligation to pay wages existed until the employee had completed the agreed term."* Law suits *"by employers seeking damages for an employee's departure prior to the expiry of an agreed term or for other forms of breach of contract constituted one form of legally sanctioned economic discipline of some importance in shaping the employment relations of the nineteenth century."* Thus the boss could fire the worker without paying their wages while if the worker left the boss he would expect a similar outcome. This was because the courts had decided that the *"employer was entitled not only to receipt of the services contracted for in their entirety prior to payment but also to the obedience of the employee in the process of rendering them."* [Tomlins, **Op. Cit.**, pp. 278–9, p. 274, p. 272 and pp. 279–80] The ability of workers to seek self-employment on the farm or workplace or even better conditions and wages were simply abolished by employers turning to the state.

So, in summary, the state could remedy the shortage of cheap wage labour by controlling access to the land, repressing trade unions as conspiracies or trusts and ensuring that workers had to obey their bosses for the full term of their contract (while the bosses could fire them at will). Combine this with the extensive use of tariffs, state funding of industry and infrastructure among many other forms of state aid to capitalists and we have a situation were capitalism was imposed on a pre-capitalist nation at the behest of the wealthy elite by the state, as was the case with all other countries.

ing a home in good repair. To utterly erase these skills and means of a livelihood from the worker's life became an industrial imperative." Thus the worker's *"complete dependence on the factory and on an industrial labour market was a compelling precondition for the triumph of industrial society ... The need to destroy whatever independent means of life the worker could garner ... all involved the issue of reducing the proletariat to a condition of total powerlessness in the face of capital. And with that powerlessness came a supineness, a loss of character and community, and a decline in moral fibre."* [Bookchin, **Op. Cit.**,, pp. 406–7] Unsurprisingly, there was a positive association between enclosure and migration out of villages and a *"definite correlation ... between the extent of enclosure and reliance on poor rates ... parliamentary enclosure resulted in out-migration and a higher level of pauperisation."* Moreover, *"the standard of living was generally much higher in those areas where labourer managed to combine industrial work with farming ... Access to commons meant that labourers could graze animals, gather wood, stones and gravel, dig coal, hunt and fish. These rights often made the difference between subsistence and abject poverty."* [David McNally, **Op. Cit.**, p. 14 and p. 18] Game laws also ensured that the peasantry and servants could not legally hunt for food as from the time of Richard II (1389) to 1831, no person could kill game unless qualified by estate or social standing.

The enclosure of the commons (in whatever form it took — see section F.8.5 for the US equivalent) solved both problems — the high cost of labour, and the freedom and dignity of the worker. The enclosures perfectly illustrate the principle that capitalism requires a state to ensure that the majority of people do not have free access to any means of livelihood and so must sell themselves to capitalists in order to survive. There is no doubt that if the state had "left alone" the European peasantry, allowing them to continue their collective farming practices ("collective farming" because, as Kropotkin shows, the peasants not only shared the land but much of the farm labour as

well), capitalism could not have taken hold (see **Mutual Aid** for more on the European enclosures [pp. 184–189]). As Kropotkin notes, *"[i]nstances of commoners themselves dividing their lands were rare, everywhere the State coerced them to enforce the division, or simply favoured the private appropriation of their lands"* by the nobles and wealthy. Thus *"to speak of the natural death of the village community [or the commons] in virtue of economical law is as grim a joke as to speak of the natural death of soldiers slaughtered on a battlefield."* [**Mutual Aid**, p. 188 and p. 189]

Once a labour market **was** created by means of enclosure and the land monopoly, the state did **not** passively let it work. When market conditions favoured the working class, the state took heed of the calls of landlords and capitalists and intervened to restore the "natural" order. The state actively used the law to lower wages and ban unions of workers for centuries. In Britain, for example, after the Black Death there was a "servant" shortage. Rather than allow the market to work its magic, the landlords turned to the state and the result was ***"the Statute of Labourers"*** of 1351:

> *"Whereas late against the malice of servants, which were idle, and not willing to serve after the pestilence, without taking excessive wages, it was ordained by our lord the king ... that such manner of servants ... should be bound to serve, receiving salary and wages, accustomed in places where they ought to serve in the twentieth year of the reign of the king that now is, or five or six years before; and that the same servants refusing to serve in such manner should be punished by imprisonment of their bodies ... now forasmuch as it is given the king to understand in this present parliament, by the petition of the commonalty, that the said servants having no regard to the said ordinance, . . to the great damage of the great men, and impoverishing of all the said com-*

in the thirty years after 1790," notes one historian, *"and the ... trade unionism to which ... it gave rise, both replicated in important respects the experience of workers in the artisan trades in Britain over a rather longer period ... The juridical responses they provoked likewise reproduced English practice. Beginning in 1806, American courts consciously seized upon English common law precedent to combat journeymen's associations."* Capitalists in this era tried to *"secure profit ... through the exercise of disciplinary power over their employees."* To achieve this *"employers made a bid for legal aid"* and it is here *"that the key to law's role in the process of creating an industrial economy in America lies."* As in the UK, the state invented laws and issues proclamations against workers' combinations, calling them conspiracies and prosecuting them as such. Trade unionists argued that laws which declared unions as illegal combinations should be repealed as against the Constitution of the USA while *"the specific cause of trademens protestations of their right to organise was, unsurprisingly, the willingness of local authorities to renew their resort to conspiracy indictments to countermand the growing power of the union movement."* Using criminal conspiracy to counter combinations among employees was commonplace, with the law viewing a *"collective quitting of employment [as] a criminal interference"* and combinations to raise the rate of labour *"indictable at common law."* [Christopher L. Tomlins, **Law, Labor, and Ideology in the Early American Republic**, p. 113, p. 295, p. 159 and p. 213] By the end of the nineteenth century, state repression for conspiracy was replaced by state repression for acting like a trust while actual trusts were ignored and so laws, ostensibly passed (with the help of the unions themselves) to limit the power of capital, were turned against labour (this should be unsurprising as it was a capitalist state which passed them). [Howard Zinn, **A People's History of the United States**, p. 254]

Another key means to limit the freedom of workers was denying departing workers their wages for the part of the con-

the early days of colonisation while in America indentured servants played a similar role.

Indentured service was a system whereby workers had to labour for a specific number of years usually in return for passage to America with the law requiring the return of runaway servants. In theory, of course, the person was only selling their labour. In practice, indentured servants were basically slaves and the courts enforced the laws that made it so. The treatment of servants was harsh and often as brutal as that inflicted on slaves. Half the servants died in the first two years and unsurprisingly, runaways were frequent. The courts realised this was a problem and started to demand that everyone have identification and travel papers.

It should also be noted that the practice of indentured servants also shows how state intervention in one country can impact on others. This is because people were willing to endure indentured service in the colonies because of how bad their situation was at home. Thus the effects of primitive accumulation in Britain impacted on the development of America as most indentured servants were recruited from the growing number of unemployed people in urban areas there. Dispossessed from their land and unable to find work in the cities, many became indentured servants in order to take passage to the Americas. In fact, between one half to two thirds of all immigrants to Colonial America arrived as indentured servants and, at times, three-quarters of the population of some colonies were under contracts of indenture. That this allowed the employing class to overcome their problems in hiring "help" should go without saying, as should its impact on American inequality and the ability of capitalists and landlords to enrich themselves on their servants labour and to invest it profitably.

As well as allowing unfree labour, the American state intervened to ensure that the freedom of wage workers was limited in similar ways as we indicated in section F.8.3. *"The changes in social relations of production in artisan trades that took place*

> *monalty, whereof the said commonalty prayeth remedy: wherefore in the said parliament, by the assent of the said prelates, earls, barons, and other great men, and of the same commonalty there assembled, to refrain the malice of the said servants, be ordained and established the things underwritten."*

Thus state action was required because labourers had increased bargaining power and commanded higher wages which, in turn, led to inflation throughout the economy. In other words, an early version of the NAIRU (see section C.9). In one form or another this statute remained in force right through to the 19th century (later versions made it illegal for employees to "conspire" to fix wages, i.e., to organise to demand wage increases). Such measures were particularly sought when the labour market occasionally favoured the working class. For example, *"[a]fter the Restoration [of the English Monarchy],"* noted Dobb, *"when labour-scarcity had again become a serious complaint and the propertied class had been soundly frightened by the insubordination of the Commonwealth years, the clamour for legislative interference to keep wages low, to drive the poor into employment and to extend the system of workhouses and 'houses of correction' and the farming out of paupers once more reached a crescendo."* The same occurred on Continental Europe. [**Op. Cit.**, p. 234]

So, time and again employers called on the state to provide force to suppress the working class, artificially lower wages and bolster their economic power and authority. While such legislation was often difficult to enforce and often ineffectual in that real wages did, over time, increase, the threat and use of state coercion would ensure that they did not increase as fast as they may otherwise have done. Similarly, the use of courts and troops to break unions and strikes helped the process of capital accumulation immensely. Then there were the various laws used to control the free movement of workers. *"For cen-*

turies," notes Colin Ward, *"the lives of the poor majority in rural England were dominated by the Poor law and its ramifications, like the Settlement Act of 1697 which debarred strangers from entering a parish unless they had a Settlement Certificate in which their home parish agreed to take them back if they became in need of poor relief. Like the Workhouse, it was a hated institution that lasted into the 20th century."* [**Op. Cit.**, p. 31]

As Kropotkin stressed, *"it was the State which undertook to settle ... griefs"* between workers and bosses *"so as to guarantee a 'convenient' livelihood"* (convenient for the masters, of course). It also acted *"severely to prohibit all combinations ... under the menace of severe punishments ... Both in the town and in the village the State reigned over loose aggregations of individuals, and was ready to prevent by the most stringent measures the reconstitution of any sort of separate unions among them."* Workers who formed unions *"were prosecuted wholesale under the Master and Servant Act — workers being summarily arrested and condemned upon a mere complaint of misbehaviour lodged by the master. Strikes were suppressed in an autocratic way ... to say nothing of the military suppression of strike riots ... To practice mutual support under such circumstances was anything but an easy task ... After a long fight, which lasted over a hundred years, the right of combing together was conquered."* [**Mutual Aid**, p. 210 and p. 211] It took until 1813 until the laws regulating wages were repealed while the laws against combinations remained until 1825 (although that did not stop the Tolpuddle Martyrs being convicted of "administering an illegal oath" and deported to Tasmania in 1834). Fifty years later, the provisions of the statues of labourers which made it a civil action if the boss broke his contract but a criminal action if the worker broke it were repealed. Trade unions were given legal recognition in 1871 while, at the same time, another law limited what the workers could do in a strike or lockout. The British ideals of free trade never included freedom to organise.

tariffs to protect [it] from ... British competition." [William Lazonick, **Competitive Advantage on the Shop Floor**, p. 218 and p. 219] The government also *"actively furthered this process [of 'commercial revolution'] with public works in transportation and communication."* In addition to this "physical" aid, *"state government provided critical help, with devices like the chartered corporation"* [Richard B. Du Boff, **Op. Cit.**, p. 15] As we noted in section B.2.5, there were changes in the legal system which favoured capitalist interests over the rest of society.

Nineteenth-century America also went in heavily for industrial planning — occasionally under that name but more often in the name of national defence. The military was the excuse for what is today termed rebuilding infrastructure, picking winners, promoting research, and co-ordinating industrial growth (as it still is, we should add). As Richard B. Du Boff points out, the "anti-state" backlash of the 1840s onwards in America was highly selective, as the general opinion was that *"[h]enceforth, if governments wished to subsidise private business operations, there would be no objection. But if public power were to be used to control business actions or if the public sector were to undertake economic initiatives on its own, it would run up against the determined opposition of private capital."* [**Op. Cit.**, p. 26]

State intervention was not limited to simply reducing the amount of available land or enforcing a high tariff. *"Given the independent spirit of workers in the colonies, capital understood that great profits required the use of unfree labour."* [Michael Perelman, **The Invention of Capitalism**, p. 246] It was also applied in the labour market as well. Most obviously, it enforced the property rights of slave owners (until the civil war, produced when the pro-free trade policies of the South clashed with the pro-tariff desires of the capitalist North). The evil and horrors of slavery are well documented, as is its key role in building capitalism in America and elsewhere so we will concentrate on other forms of obviously unfree labour. Convict labour in Australia, for example, played an important role in

tor of New England would have been bankrupted' ... the tariff became a near-permanent political institution representing government assistance to manufacturing. It kept price levels from being driven down by foreign competition and thereby shifted the distribution of income in favour of owners of industrial property to the disadvantage of workers and customers." This protection was essential, for the *"end of the European wars in 1814 ... reopened the United States to a flood of British imports that drove many American competitors out of business. Large portions of the newly expanded manufacturing base were wiped out, bringing a decade of near-stagnation."* Unsurprisingly, the *"era of protectionism began in 1816, with northern agitation for higher tariffs."* [Richard B. Du Boff, **Accumulation and Power**, p. 56, p. 14 and p. 55] Combined with ready repression of the labour movement and government "homesteading" acts (see section F.8.5), tariffs were the American equivalent of mercantilism (which, after all, was above all else a policy of protectionism, i.e. the use of government to stimulate the growth of native industry). Only once America was at the top of the economic pile did it renounce state intervention (just as Britain did, we must note).

This is **not** to suggest that government aid was limited to tariffs. The state played a key role in the development of industry and manufacturing. As John Zerzan notes, the *"role of the State is tellingly reflected by the fact that the 'armoury system' now rivals the older 'American system of manufactures' term as the more accurate to describe the new system of production methods"* developed in the early 1800s. [**Elements of Refusal**, p. 100] By the middle of the nineteenth century *"a distinctive 'American system of manufactures' had emerged ... The lead in technological innovation [during the US Industrial Revolution] came in armaments where assured government orders justified high fixed-cost investments in special-pursue machinery and managerial personnel. Indeed, some of the pioneering effects occurred in government-owned armouries."* Other forms of state aid were used, for example the textile industry *"still required*

(Luckily, by then, economists were at hand to explain to the workers that organising to demand higher wages was against their own self-interest. By a strange coincidence, all those laws against unions had actually **helped** the working class by enforcing the necessary conditions for perfect competition in labour market! What are the chances of that? Of course, while considered undesirable from the perspective of mainstream economists — and, by strange co-incidence, the bosses — unions are generally not banned these days but rather heavily regulated. The freedom loving, deregulating Thatcherites passed six Employment Acts between 1980 and 1993 restricting industrial action by requiring pre-strike ballots, outlawing secondary action, restricting picketing and giving employers the right to seek injunctions where there is doubt about the legality of action — in the workers' interest, of course as, for some reason, politicians, bosses and economists have always known what best for trade unionists rather than the trade unionists themselves. And if they objected, well, that was what the state was for.)

So to anyone remotely familiar with working class history the notion that there could be an economic theory which ignores power relations between bosses and workers is a particularly self-serving joke. Economic relations always have a power element, even if only to protect the property and power of the wealthy — the Invisible Hand always counts on a very visible Iron Fist when required. As Kropotkin memorably put it, the rise of capitalism has always seen the State *"tighten the screw for the worker"* and *"impos[ing] industrial serfdom."* So what the bourgeoisie *"swept away as harmful to industry"* was anything considered as *"useless and harmful"* but that class *"was at pains not to sweep away was the power of the State over industry, over the factory serf."* Nor should the role of public schooling be overlooked, within which *"the spirit of voluntary servitude was always cleverly cultivated in the minds of the young, and still is, in order to perpetuate the subjection of the*

individual to the State." [**The State: Its Historic Role**, pp. 52–3 and p. 55] Such education also ensured that children become used to the obedience and boredom required for wage slavery.

Like the more recent case of fascist Chile, "free market" capitalism was imposed on the majority of society by an elite using the authoritarian state. This was recognised by Adam Smith when he opposed state intervention in **The Wealth of Nations**. In Smith's day, the government was openly and unashamedly an instrument of wealth owners. Less than 10 per cent of British men (and no women) had the right to vote. When Smith opposed state interference, he was opposing the imposition of wealth owners' interests on everybody else (and, of course, how "liberal", never mind "libertarian", is a political system in which the many follow the rules and laws set-down in the so-called interests of all by the few? As history shows, any minority given, or who take, such power **will** abuse it in their own interests). Today, the situation is reversed, with neo-liberals and right-"libertarians" opposing state interference in the economy (e.g. regulation of Big Business) so as to prevent the public from having even a minor impact on the power or interests of the elite. The fact that "free market" capitalism always requires introduction by an authoritarian state should make all honest "Libertarians" ask: How "free" is the "free market"?

F.8.4 Aren't the enclosures a socialist myth?

The short answer is no, they are not. While a lot of historical analysis has been spent in trying to deny the extent and impact of the enclosures, the simple fact is (in the words of noted historian E.P. Thompson) enclosure *"was a plain enough case of class robbery, played according to the fair rules of property and law laid down by a parliament of property-owners and lawyers."* [**The Making of the English Working Class**, pp. 237–8]

> *"How then can the anti-capitalistic cancer of the colonies be healed? ... Let the Government set an artificial price on the virgin soil, a price independent of the law of supply and demand, a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land, and turn himself into an independent farmer."* [**Op. Cit.**, p. 938]

Moreover, tariffs were introduced with *"the objective of manufacturing capitalists artificially"* for the *"system of protection was an artificial means of manufacturing manufacturers, or expropriating independent workers, of capitalising the national means of production and subsistence, and of forcibly cutting short the transition ... to the modern mode of production,"* to capitalism [**Op. Cit.**, p. 932 and pp. 921–2]

So mercantilism, state aid in capitalist development, was also seen in the United States of America. As Edward Herman points out, the *"level of government involvement in business in the United States from the late eighteenth century to the present has followed a U-shaped pattern: There was extensive government intervention in the pre-Civil War period (major subsidies, joint ventures with active government participation and direct government production), then a quasi-laissez faire period between the Civil War and the end of the nineteenth century [a period marked by "the aggressive use of tariff protection" and state supported railway construction, a key factor in capitalist expansion in the USA], followed by a gradual upswing of government intervention in the twentieth century, which accelerated after 1930."* [**Corporate Control, Corporate Power**, p. 162]

Such intervention ensured that income was transferred from workers to capitalists. Under state protection, America industrialised by forcing the consumer to enrich the capitalists and increase their capital stock. *"According to one study, if the tariff had been removed in the 1830s 'about half the industrial sec-*

278] This was the case with the Individualist Anarchists at the same time, we must add.

Overall, therefore, state action ensured the transformation of America from a society of independent workers to a capitalist one. By creating and enforcing the "land monopoly" (of which state ownership of unoccupied land and its enforcement of landlord rights were the most important) the state ensured that the balance of class forces tipped in favour of the capitalist class. By removing the option of farming your own land, the US government created its own form of enclosure and the creation of a landless workforce with little option but to sell its liberty on the "free market". They was nothing "natural" about it. Little wonder the Individualist Anarchist J.K. Ingalls attacked the "land monopoly" with the following words:

> *"The earth, with its vast resources of mineral wealth, its spontaneous productions and its fertile soil, the free gift of God and the common patrimony of mankind, has for long centuries been held in the grasp of one set of oppressors by right of conquest or right of discovery; and it is now held by another, through the right of purchase from them. All of man's natural possessions ... have been claimed as property; nor has man himself escaped the insatiate jaws of greed. The invasion of his rights and possessions has resulted ... in clothing property with a power to accumulate an income."* [quoted by James Martin, **Men Against the State**, p. 142]

Marx, correctly, argued that *"the capitalist mode of production and accumulation, and therefore capitalist private property, have for their fundamental condition the annihilation of that private property which rests on the labour of the individual himself; in other words, the expropriation of the worker."* [**Capital**, Vol. 1, p. 940] He noted that to achieve this, the state is used:

The enclosures were one of the ways that the *"land monopoly"* was created. The land monopoly referred to feudal and capitalist property rights and ownership of land by (among others) the Individualist Anarchists. Instead of an *"occupancy and use"* regime advocated by anarchists, the land monopoly allowed a few to bar the many from the land — so creating a class of people with nothing to sell but their labour. While this monopoly is less important these days in developed nations (few people know how to farm) it was essential as a means of consolidating capitalism. Given the choice, most people preferred to become independent farmers rather than wage workers (see next section). As such, the *"land monopoly"* involves more than simply enclosing common land but also enforcing the claims of landlords to areas of land greater than they can work by their own labour.

Needless to say, the titles of landlords and the state are generally ignored by supporters of capitalism who tend to concentrate on the enclosure movement in order to downplay its importance. Little wonder, for it is something of an embarrassment for them to acknowledge that the creation of capitalism was somewhat less than "immaculate" — after all, capitalism is portrayed as an almost ideal society of freedom. To find out that an idol has feet of clay and that we are still living with the impact of its origins is something pro-capitalists must deny. So **are** the enclosures a socialist myth? Most claims that it is flow from the work of the historian J.D. Chambers' famous essay *"Enclosures and the Labour Supply in the Industrial Revolution."* [**Economic History Review**, 2nd series, no. 5, August 1953] In this essay, Chambers attempts to refute Karl Marx's account of the enclosures and the role it played in what Marx called *"primitive accumulation."*

We cannot be expected to provide an extensive account of the debate that has raged over this issue (Colin Ward notes that *"a later series of scholars have provided locally detailed evidence that reinforces"* the traditional socialist analysis of enclo-

sure and its impact. [**Cotters and Squatters**, p. 143]). All we can do is provide a summary of the work of William Lazonick who presented an excellent reply to those who claim that the enclosures were an unimportant historical event (see his *"Karl Marx and Enclosures in England."* [**Review of Radical Political Economy**, no. 6, pp. 1–32]). Here, we draw upon his subsequent summarisation of his critique provided in his books **Competitive Advantage on the Shop Floor** and **Business Organisation and the Myth of the Market Economy**.

There are three main claims against the socialist account of the enclosures. We will cover each in turn.

Firstly, it is often claimed that the enclosures drove the uprooted cottager and small peasant into industry. However, this was never claimed. As Lazonick stresses while some economic historians *"have attributed to Marx the notion that, in one fell swoop, the enclosure movement drove the peasants off the soil and into the factories. Marx did not put forth such a simplistic view of the rise of a wage-labour force ... Despite gaps and omission in Marx's historical analysis, his basic arguments concerning the creation of a landless proletariat are both important and valid. The transformations of social relations of production and the emergence of a wage-labour force in the agricultural sector were the critical preconditions for the Industrial Revolution."* [**Competitive Advantage on the Shop Floor**, pp. 12–3]

It is correct, as the critics of Marx stress, that the agricultural revolution associated with the enclosures **increased** the demand for farm labour as claimed by Chambers and others. And this is the whole point — enclosures created a pool of dispossessed labourers who had to sell their time/liberty to survive and whether this was to a landlord or an industrialist is irrelevant (as Marx himself stressed). As such, the account by Chambers, ironically, *"confirms the broad outlines of Marx's arguments"* as it implicitly acknowledges that *"over the long run the massive reallocation of access to land that enclosures entailed resulted in the separation of the mass of agricultural producers*

ing labour discipline and appropriate state action was taken to reduce it by restricting free access to the land in order to ensure that workers were dependent on wage labour. Many early economists recognised this and advocated such action. Edward Wakefield was typical when he complained that *"where land is cheap and all are free, where every one who so pleases can easily obtain a piece of land for himself, not only is labour dear, as respects the labourer's share of the product, but the difficulty is to obtain combined labour at any price."* This resulted in a situation were few *"can accumulate great masses of wealth"* as workers *"cease ... to be labourers for hire; they ... become independent landowners, if not competitors with their former masters in the labour market."* Unsurprisingly, Wakefield urged state action to reduce this option and ensure that labour become cheap as workers had little choice but to seek a master. One key way was for the state to seize the land and then sell it to the population. This would ensure that *"no labourer would be able to procure land until he had worked for money"* and this *"would produce capital for the employment of more labourers."* [quoted by Marx, **Op. Cit.**, , p. 935, p. 936 and p. 939] Which is precisely what did occur.

At the same time that it excluded the working class from virgin land, the state granted large tracts of land to the privileged classes: to land speculators, logging and mining companies, planters, railroads, and so on. In addition to seizing the land and distributing it in such a way as to benefit capitalist industry, the *"government played its part in helping the bankers and hurting the farmers; it kept the amount of money — based in the gold supply — steady while the population rose, so there was less and less money in circulation. The farmer had to pay off his debts in dollars that were harder to get. The bankers, getting loans back, were getting dollars worth more than when they loaned them out — a kind of interest on top of interest. That was why so much of the talk of farmers' movements in those days had to do with putting more money in circulation."* [Zinn, **Op. Cit.**, p.

transforming feudal relations on the land into capitalist relations in industry (and, eventually, back on the land when the farmers succumbed to the pressures of the capitalist market and debt forced them to sell).

This means that Murray Rothbard's comment that *"once the land was purchased by the settler, the injustice disappeared"* is nonsense — the injustice was transmitted to other parts of society and this, the wider legacy of the original injustice, lived on and helped transform society towards capitalism. In addition, his comment about *"the establishment in North America of a truly libertarian land system"* would be one the Individualist Anarchists of the period would have seriously disagreed with! [**The Ethics of Liberty**, p. 73] Rothbard, at times, seems to be vaguely aware of the importance of land as the basis of freedom in early America. For example, he notes in passing that *"the abundance of fertile virgin land in a vast territory enabled individualism to come to full flower in many areas."* [**Conceived in Liberty**, vol. 2, p. 186] Yet he did not ponder the transformation in social relationships which would result when that land was gone. In fact, he was blasé about it. *"If latecomers are worse off,"* he opined, *"well then that is their proper assumption of risk in this free and uncertain world. There is no longer a vast frontier in the United States, and there is no point crying over the fact."* [**The Ethics of Liberty**, p. 240] Unsurprisingly we also find Murray Rothbard commenting that Native Americans *"lived under a collectivistic regime that, for land allocation, was scarcely more just than the English governmental land grab."* [**Conceived in Liberty**, vol. 1, p. 187] That such a regime made for **increased** individual liberty and that it was precisely the independence from the landlord and bosses this produced which made enclosure and state land grabs such appealing prospects for the ruling class was lost on him.

Unlike capitalist economists, politicians and bosses at the time, Rothbard seemed unaware that this *"vast frontier"* (like the commons) was viewed as a major problem for maintain-

from the means of production." So the *"critical transformation was not the level of agricultural employment before and after enclosure but the changes in employment relations caused by the reorganisation of landholdings and the reallocation of access to land."* [**Op. Cit.**, p. 29, pp. 29–30 and p. 30] Thus the key feature of the enclosures was that it created a supply for farm labour, a supply that had no choice but to work for another. Once freed from the land, these workers could later move to the towns in search for better work:

> *"Critical to the Marxian thesis of the origins of the industrial labour force is the transformation of the social relations of agriculture and the creation, in the first instance, of an agricultural wage-labour force that might eventually, perhaps through market incentives, be drawn into the industrial labour force."* [**Business Organisation and the Myth of the Market Economy**, p. 273]

In summary, when the critics argue that enclosures increased the demand for farm labour they are not refuting Marx but confirming his analysis. This is because the enclosures had resulted in a transformation in employment relations in agriculture with the peasants and farmers turned into wage workers for landlords (i.e., rural capitalists). For if wage labour is the defining characteristic of capitalism then it matters little if the boss is a farmer or an industrialist. This means that the *"critics, it turns out, have not differed substantially with Marx on the facts of agricultural transformation. But by ignoring the historical and theoretical significance of the resultant changes in the social relations of* ***agricultural*** *production, the critics have missed Marx's main point."* [**Competitive Advantage on the Shop Floor**, p. 30]

Secondly, it is argued that the number of small farm owners increased, or at least did not greatly decline, and so the enclosure movement was unimportant. Again, this misses the point.

Small farm owners can still employ wage workers (i.e. become capitalist farmers as opposed to "yeomen" — an independent peasant proprietor). As Lazonick notes, *"[i]t is true that after 1750 some petty proprietors continued to occupy and work their own land. But in a world of capitalist agriculture, the yeomanry no longer played an important role in determining the course of capitalist agriculture. As a social class that could influence the evolution of British economy society, the yeomanry had disappeared."* Moreover, Chambers himself acknowledged that for the poor without legal rights in land, then enclosure injured them. For *"the majority of the agricultural population ... had only customary rights. To argue that these people were not treated unfairly because they did not possess legally enforceable property rights is irrelevant to the fact that they were dispossessed by enclosures. Again, Marx's critics have failed to address the issue of the transformation of access to the means of production as a precondition for the Industrial Revolution."* [**Op. Cit.**, p. 32 and p. 31]

Thirdly, it is often claimed that it was population growth, rather than enclosures, that caused the supply of wage workers. So was population growth more important than enclosures? Given that enclosure impacted on the individuals and social customs of the time, it is impossible to separate the growth in population from the social context in which it happened. As such, the population argument ignores the question of whether the changes in society caused by enclosures and the rise of capitalism have an impact on the observed trends towards earlier marriage and larger families after 1750. Lazonick argues that *"[t]here is reason to believe that they did."* [**Op. Cit.**, p. 33] Overall, Lazonick notes that *"[i]t can even be argued that the changed social relations of agriculture altered the constraints on early marriage and incentives to childbearing that contributed to the growth in population. The key point is that transformations in social relations in production can influence, and have influenced, the quantity of wage labour supplied on both agri-*

obtaining and maintaining possession of land change, as they did in the Midwest between 1830 and 1840, pursuing the goal of preserving [family ownership and control] ... produced very different results. In order to pay growing mortgages, debts and taxes, family farmers were compelled to specialise production toward cash crops and to market more and more of their output." [**Op. Cit.**, p. 221–2]

So, in order to pay for land which was formerly free, farmers got themselves into debt and increasingly turned to the market to pay it off. Thus, the *"Federal land system, by transforming land into a commodity and stimulating land speculation, made the Midwestern farmers dependent upon markets for the continual possession of their farms."* Once on the market, farmers had to invest in new machinery and this also got them into debt. In the face of a bad harvest or market glut, they could not repay their loans and their farms had to be sold to so do so. By 1880, 25% of all farms were rented by tenants, and the numbers kept rising. In addition, the *"transformation of social property relations in northern agriculture set the stage for the 'agricultural revolution' of the 1840s and 1850s ... [R]ising debts and taxes forced Midwestern family farmers to compete as commodity producers in order to maintain their land-holding ... The transformation ... was the central precondition for the development of industrial capitalism in the United States."* [Charlie Post, **Op. Cit.**, p. 223 and p. 226]

It should be noted that feudal land owning was enforced in many areas of the colonies and the early Republic. Landlords had their holdings protected by the state and their demands for rent had the full backing of the state. This lead to numerous anti-rent conflicts. [Howard Zinn, **A People's History of the United States**, p. 84 and pp. 206–11] Such struggles helped end such arrangements, with landlords being "encouraged" to allow the farmers to buy the land which was rightfully theirs. The wealth appropriated from the farmers in the form of rent and the price of the land could then be invested in industry so

revolution, [when] huge sections of land were bought up by rich speculators" and their claims supported by the law. [Howard Zinn, **A People's History of the United States**, p. 125] Thus land which should have been free was sold to land-hungry farmers and the few enriched themselves at the expense of the many. Not only did this increase inequality within society, it also encouraged the development of wage labour — having to pay for land would have ensured that many immigrants remained on the East Coast until they had enough money. Thus a pool of people with little option but to sell their labour was increased due to state protection of unoccupied land. That the land usually ended up in the hands of farmers did not (could not) countermand the shift in class forces that this policy created.

This was also the essential role of the various "Homesteading Acts" and, in general, the *"Federal land law in the 19th century provided for the sale of most of the public domain at public auction to the higher bidder ... Actual settlers were forced to buy land from speculators, at prices considerably above the federal minimal price."* (which few people could afford anyway). [Charlie Post, **Op. Cit.**, p. 222] This is confirmed by Howard Zinn who notes that 1862 Homestead Act *"gave 160 acres of western land, unoccupied and publicly owned, to anyone who would cultivate it for five years ... Few ordinary people had the $200 necessary to do this; speculators moved in and bought up much of the land. Homestead land added up to 50 million acres. But during the Civil War, over 100 million acres were given by Congress and the President to various railroads, free of charge."* [**Op. Cit.**, p. 233] Little wonder the Individualist Anarchists supported an *"occupancy and use"* system of land ownership as a key way of stopping capitalist and landlord usury as well as the development of capitalism itself.

This change in the appropriation of land had significant effects on agriculture and the desirability of taking up farming for immigrants. As Post notes, *"[w]hen the social conditions for*

cultural and industrial labour markets. To argue that population growth created the industrial labour supply is to ignore these momentous social transformations" associated with the rise of capitalism. [**Business Organisation and the Myth of the Market Economy**, p. 273]

In other words, there is good reason to think that the enclosures, far from being some kind of socialist myth, in fact played a key role in the development of capitalism. As Lazonick notes, *"Chambers misunderstood"* the *"argument concerning the 'institutional creation' of a proletarianised (i.e. landless) workforce. Indeed, Chamber's own evidence and logic tend to support the Marxian [and anarchist!] argument, when it is properly understood."* [**Op. Cit.**, p. 273]

Lastly, it must be stressed that this process of dispossession happened over hundreds of years. It was not a case of simply driving peasants off their land and into factories. In fact, the first acts of expropriation took place in agriculture and created a rural proletariat which had to sell their labour/liberty to landlords and it was the second wave of enclosures, in the eighteenth and nineteenth centuries, that was closely connected with the process of industrialisation. The enclosure movement, moreover, was imposed in an uneven way, affecting different areas at different times, depending on the power of peasant resistance and the nature of the crops being grown (and other objective conditions). Nor was it a case of an instant transformation — for a long period this rural proletariat was not totally dependent on wages, still having some access to the land and wastes for fuel and food. So while rural wage workers did exist throughout the period from 1350 to the 1600s, capitalism was not fully established in Britain yet as such people comprised only a small proportion of the labouring classes. The acts of enclosure were just one part of a long process by which a proletariat was created.

F.8.5 What about the lack of enclosures in the Americas?

The enclosure movement was but one part of a wide-reaching process of state intervention in creating capitalism. Moreover, it is just one way of creating the *"land monopoly"* which ensured the creation of a working class. The circumstances facing the ruling class in the Americas were distinctly different than in the Old World and so the "land monopoly" took a different form there. In the Americas, enclosures were unimportant as customary land rights did not really exist (at least once the Native Americans were eliminated by violence). Here the problem was that (after the original users of the land were eliminated) there were vast tracts of land available for people to use. Other forms of state intervention were similar to that applied under mercantilism in Europe (such as tariffs, government spending, use of unfree labour and state repression of workers and their organisations and so on). All had one aim, to enrich and power the masters and dispossess the actual producers of the means of life (land and means of production).

Unsurprisingly, due to the abundance of land, there was a movement towards independent farming in the early years of the American colonies and subsequent Republic and this pushed up the price of remaining labour on the market by reducing the supply. Capitalists found it difficult to find workers willing to work for them at wages low enough to provide them with sufficient profits. It was due to the difficulty in finding cheap enough labour that capitalists in America turned to slavery. All things being equal, wage labour **is** more productive than slavery but in early America all things were **not** equal. Having access to cheap (indeed, free) land meant that working people had a choice, and few desired to become wage slaves and so because of this, capitalists turned to slavery in the South and the "land monopoly" in the North.

This was because, in the words of Maurice Dobb, it *"became clear to those who wished to reproduce capitalist relations of production in the new country that the foundation-stone of their endeavour must be the restriction of land-ownership to a minority and the exclusion of the majority from any share in [productive] property."* [**Studies in Capitalist Development**, pp. 221–2] As one radical historian puts it, *"[w]hen land is 'free' or 'cheap'. as it was in different regions of the United States before the 1830s, there was no compulsion for farmers to introduce labour-saving technology. As a result, 'independent household production' ... hindered the development of capitalism ... [by] allowing large portions of the population to escape wage labour."* [Charlie Post, *"The 'Agricultural Revolution' in the United States"*, pp. 216–228, **Science and Society**, vol. 61, no. 2, p. 221]

It was precisely this option (i.e. of independent production) that had to be destroyed in order for capitalist industry to develop. The state had to violate the holy laws of "supply and demand" by controlling the access to land in order to ensure the normal workings of "supply and demand" in the labour market (i.e. that the bargaining position favoured employer over employee). Once this situation became the typical one (i.e., when the option of self-employment was effectively eliminated) a more (protectionist based) "laissez-faire" approach could be adopted, with state action used indirectly to favour the capitalists and landlords (and readily available to protect private property from the actions of the dispossessed).

So how was this transformation of land ownership achieved?

Instead of allowing settlers to appropriate their own farms as was often the case before the 1830s, the state stepped in once the army had cleared out (usually by genocide) the original users. Its first major role was to enforce legal rights of property on unused land. Land stolen from the Native Americans was sold at auction to the highest bidders, namely speculators, who then sold it on to farmers. This process started right *"after the*