

# WHAT IS MUTUALISM?

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Mutualism is a form of socialism historically connected with anarchism. This is mainly due to the fact that the most well known mutualist, Pierre Joseph Proudhon, was the first person to accept the title 'anarchist' in a positive sense. Mutualism has not always been an anarchism. The earliest formation of a set of political economics that can be recognised as mutualist was by the English cooperativist John Gray, and though he was critical of full communism and, like most socialists, did not believe that the state should intervene in economic affairs, he did not believe that government and state should be abolished. Mutualism was carried logically into anarchism simultaneously by Proudhon, and Josiah Warren, although Warren had already formed his mutualist theories and experimented with them before he came to view the state as an enemy (government was always an enemy to him, though). In France the mutualists became more and more moderate and willing to participate in government to bring about reforms that would make it unnecessary, whilst the opposite occurred in America, the New England Labour Reform League heartily opposing the state. Nevertheless mutualism is opposed to government and state. As William Greene says

"Mutualism operates, by its very nature, to render political government, founded upon arbitrary force, superfluous; that is, it operates to the decentralisation of the political power, and to the transformation of the state by substituting self-government instead of government *ab extra*"

The destruction of the state and the dissolution of government within the economic organism, by the ordering of what is now seen as economic chaos and the balancing of social forces, that is the political objective of mutualism. Mutualism is not a type of anarchism, but anarchy is an aspect of mutualism. What is more is that mutualists have ever remained pragmatic as regards this ideal. For instance Proudhon claims

"Public order resting directly on the liberty and conscience of the citizen, *anarchy*, the absence of all constraint, police, authority, magistrature, regimentation, etc., will be the correlative of the highest social virtue - and, beyond that, the ideal of human government. Of course we are not there, and centuries will pass before that ideal maybe attained, but our *law* is to go in that direction, to grow increasingly nearer to that end, and it is thus that I uphold the principle of federation."



Thus mutualists attempt, in the present, to get the people to take over the responsibilities and roles currently vested in the state and large capital, to organise themselves in order to eventually make the state redundant.

Mutualists believe in private property. However they do not treat it in the same manner as the capitalist, for whom it is a tool for binding workers in subservience beneath his reign. In light of this property, under mutualism, loses its identity as property in the modern sense as it ceases to be a tool by which workers are controlled and exploited, and becomes the means by which they secure their independence and autonomy and control over their lives. This is achieved by granting the right to hold property to those who directly use and occupy what is held. The right to occupation being universal, all who gain the right to access and occupy are entitled to become proprietors. Thus property should be based on occupation and use, and also combined with an ethic of possession. One can be a possessor of what one doesn't own. For instance, if I borrow a friend's lawn mower to do my garden, it is his property, but I am its possessor. The fact that I am only in possession gives me a duty not to abuse the lawn mower, but to use it in a socially beneficial manner. Likewise the consumption of raw materials should also be used as though I were in possession of them, not abused or wasted. This confers onto property a sense of social duty. But mutualism is not socialisation or communism. Property is the right to control or to decide the way in which a commodity is used. Mutualists want possession and property to be the same, ensuring that responsibility and control of the property rests solely with the possessors, such as workers in relation to their factory, maintaining their autonomy and freedom. Society never owns property. No will of any representative or majority ever attempts to control proprietors, they remain sovereign and masters of their own consciences. Liberty rests upon uniting the principles of possession and property.

Capital produces nothing. Suppose a capitalist invests an entire carpentry shop and all its contents. In this workshop chairs are made. Has the capitalist produced the chairs? No. A hammer, a saw, a lathe, a drill, wood, etc., these things do not make a chair. They must be used, the components assembled. In other words work must be done - and only labour brings the product into being. Now, the consumers who goes to the workshop aren't looking for wood, drills, saws, hammers, etc. They are looking for chairs. Profit is given in consent as no-one sells at cost price, so profit is given in exchange for chairs that only exist because of labour. Under capitalism the income is divided - some goes to pay wages, some goes to pay for the interest on any hired capital, some goes on taxation, and the rest, that is profit, goes to the capitalist, that is the proprietor who employs the labourers. This, the mutualists say, makes



property theft. The capitalist has only invested the workshop and tools, so all he is owed is a workshop and tools (or the value of such measured in money). When property is not united with possession then it is theft, for the proprietor may exploit the possessor, or may not recognise the fact that he is a part of a social order to which he has a duty - leading to abuse and profit in exchange. Labour is entitled to the wage that was agreed upon when the labourer formed the contract, and, in order for production to continue, the means of production, or capital, must be paid for (the workshop, the tools, the electricity used, etc., were all products - to suggest that they shouldn't be paid for is to suggest that those who produce them should be working absolutely for free and get nothing in return), but any value surplus to the payment of wages and provisions is also the result of the labour of those in the workshop and should be divided as shares amongst them. Thus all communism is exactly the same as capitalism: it exploits workers and turns them into slaves. For communists say that seeing as no products can be produced without tools (capital) which are in turn products, then every working person in society is the producer of every article of wealth, and seeing as workers should own the product of their labour, all workers are entitled to the same degree of control over all articles of wealth no matter in whose hands it is found. Thus communism bares no relation to possession (particularly that possession that takes the form of workers being the sovereign responsibility over the managing of their work place) - it is capitalist, exploitative, property through and through - seeing that all workers under communism are entitled to control all wealth, no matter who is in possession. This is the same as capitalism, as both the capitalist and the communist believe that just simply giving the means of production to producers entitles the giver to a share of the product and to control of production. Communists destroy any hope of workers' control as, if all workers, no matter what trade, or what they produce, own all the wealth in society then it is society who should, under communism, control the factory, not those who work in it, and society who should decide what happens to the product of the factory, not the factory workers. As society as a whole cannot come together to decide on the whole of production it must choose those who the largest section of it deem most worthy to control the economy in its name and interest, thus by democratic government in perpetual unity and centralisation. It is, then, that in the name of liberty and workers' control, we mutualists claim that the control of a work place should be the right of only those who work in it, the control of the product is the right of those who produce it. If there is more than one provider of a certain type of wealth, and they don't wish to consolidate their efforts, then consumers must chose between them, for we are all entitled to that form of affordable wealth we desire the most. Thus there will be a market. When I buy on a market all I am simply



doing is exchanging one product for another. We have said that only those who produce the products are allowed, by justice, to control them so any interference in this exchange, and any intervention in the terms of the agreement between the exchangeers is theft and exploitation, for it attempts to take control of the product away from the workers. Thus, in the name of Liberty and workers' control (that is socialism) we mutualist defend the right to completely free markets, with no intervention, even in the form of taxation. My right to choose that product I favour the most, and the producer's desire to attract as many people to his product as he can (to ensure he has a market, and thus access to the other forms of wealth of his choice that people will exchange for what he has to offer) will inevitably produce competition between enterprises. Thus we mutualists are saying that workers' control, or socialism, is impossible without a completely free competitive market of property owners. What is more is that mutualists don't merely accept competition as a necessary evil (although we don't run around turning it into some almost pseudo-religious ethic as some "libertarian" capitalists have been known to do, competition and capitalism being, from the mutualist perspective, two contradictory phenomena) we say that lack of competition is the aim of capitalism, the cause of monopoly, the origin of capitalism and all the evils that follow, and the only means of removing such evils is by introducing more competition - by logically extending the principle of *laissez faire* to the furthest degree. We believe that competition is the only way of achieving a fair equilibrium price in the exchange of goods, and thus equality of incomes, proportional to the amount produced.

Mutualism was originally founded on the faith in the labour theory of value. The labour theory of value, as created by David Ricardo, was influential on all socialists from Robert Owen through to Marx as well as providing the early theories of capitalism as found in Adam Smith and Malthus. The theory is stated here by Karl Marx:

"... change in the relations of supply and demand (explains) in regard to the price of labour, as of all other commodities, nothing except its changes, i.e., the oscillations of market price or bellow a certain mean. If demand and supply balance, the oscillation of prices ceases, all other conditions remaining the same. The price of labour at the moment when supply and demand are in equilibrium, is its natural price, determined independently of the relation of supply and demand."

This was the belief of all the economists before about 1840, on the influence of Adam Smith and Ricardo. It was believed, to quote Adam Smith "The value of any commodity ... to the person who possesses it ... is equal to the quantity of labour it enables him to purchase or



command. Labour, therefore, is the real measure of the exchangeable value of all commodities". The first doubts about the labour theory of value were expressed as early as 1831 by Auguste Walras, originally merely saying that if it were true then idle and unskilful workers should produce the most expensive products, for they take the longest time, whereas in reality quick, skilful commands the highest value. Also, if the labour theory of value were true, if I spent five minutes filling a sandwich with cheese and the same amount of time filling a sandwich with shit, both would fetch the same exchange - value (price) as they both took the same time too make. Any five year old kid, when asked whether they would rather pay more for a cheese sandwich than a shit sandwich will invariably answer affirmatively. Thus what really commands the basis of how much we are willing to give in order to acquire a commodity or service is how much we want that commodity or service, and, if it is scarce, or difficult to access (supply is low), how much we are willing to ensure that we receive the offered good rather than somebody else. Thus it is supply (scarcity or availability) and demand (use value) that determine the exchange value (price) of a commodity. The Labour Theory of Value was eventually laid to rest by the discovery of marginal utility, by a number of different economists simultaneously in 1871, and it is this theory of value that has been taught in economics text books ever since. The fact that for Marxists the whole basis for the class struggle rests upon a theory of exploitation that rests upon the Labour Theory of Value, means that this so called scientific socialism's central idea has been proven untrue for the past hundred and twenty-seven years, robbing Marxism of any credibility or motive. Not so with mutualism. Although mutualism is based on the fact that people should exchange their goods at labour value, using labour notes, and the desire to make competition sharp enough to drive prices down to the labour value at equilibrium, they realised, like all other wise economists, that competition, being the antithesis of monopoly, prevents arbitrary pricing and when complete, will allow supply and demand to balance producing the equilibrium price. It will be recalled that the equilibrium price was believed to be the "natural value" of labour, but the fact that it isn't doesn't negate the fact that there can be an equilibrium price. Now economics teaches us about three different conditions an economy can be in: Perfect competition, imperfect competition, and perfect monopoly. These are all different things and an economy can never be more than one at a time. Perfect competition is an ideal form, as is perfect monopoly, the economy has never had either. It is used as a model for economists to build upon, they first examine hypothetical operations of a firm or economy under this hypothetical perfect competition, and then see how real life imperfect competition can affect it. Capitalism is moving further and further away from perfect competition toward perfect monopoly as large industry grows. This may



seem unrealistic to socialists who have grown up believing that we live in a competitive society, but think: The aim of the capitalist is to make a profit, they (although Marxian economics doesn't agree) can only make a profit if they sell their products, and sell at a high price. The nature of competition is that if you aren't happy with one service offered you can take your custom else where, perhaps to a cheaper offer. The capitalist wants to sell, and thus wants you not to go elsewhere, and he doesn't want someone else to offer at a lower price, or he must cut down his own prices, thus reducing profit. So capitalism can't be about competition, or, if it is, it can't be about profit (which it is), competition being incompatible with usury. Now you may say "we are living under capitalism, and I can still go to a different shop". Yes, but if I don't want to buy a Mars bar at one shop, I can go to the one down the road with lower prices and buy one there. Either way Mars profits. If you actually look at the number of products, and the companies who produce them or market them, then there are actually a great many products, and only a few manufacturers. Now look at super markets. There are vast chains of super markets, but only a few of them, each taking the form of a single buyer. They buy from small farms, and there are a great many of these, thus a large number of sellers. Now if the super market chains are unhappy with the price offered at one farm, then they can go elsewhere. Thus, their being a great many small farms, that is sellers, to only a few super market chains, that is buyers, there is a great deal of competition amongst producers, but none amongst the buyers, so the buyers can buy at a low price. These super markets can sell at any price they choose, their being only a few of them in relation to the vast number of people who use them, and thus their share holders can gross vast profits because of the relatively low competition, that is high monopoly amongst super markets. Return to our small shop. Now let's see, magazines have a fixed price set by the manufacturer (or, rather, the people who own the manufacturing companies), as do crisps and many other food products. Also, as we have seen, such shops actually sell the same products as many other similar shops. This means that the capitalist always makes a profit through lack of competition, prices are fixed so the shop owner can't drop the price of the product for sale, and thus will have to drop his own returns. Out of his returns he not only has to pay the wages of fellow workers, but also rent to the land holder (and/or council tax, which is the same thing), VAT, other taxes, and interest on capital loaned to start the business, or to buy stock. Tax, rent, and interest being fixed, the only flexible portion of the price is the businesses wages, and small business workers must earn a pittance. The fixed prices of the monopoly capitalist threaten the ability to pay rent, tax, and interest causing the workers to end up in debt, or in prison. More often than not small businesses fail and their workers are cast down to the ranks of the proletarian wage-



slaves. All because capitalism operates, not through competition, but through monopoly.

Roger Scruton, in his *Dictionary of Political Thought* says of perfect competition "A hypothetical condition important as an ideal type in economic analysis. It is supposed that there are many buyers and sellers in the market, so that none individually can influence price, and there is no collusion amongst buyers, and that both buyers and sellers are fully informed about prices throughout the market." Economics text books also point out that in such a situation prices are in equilibrium, the high number of buyers and sellers making it so that supply and demand is balanced. Thus we can see that those that gather profit, those that take interest, collect rent and taxes, essentially, the capitalists only do so by causing extreme competition in some areas, but not amongst themselves. They claim, in the name of capitalism, that the market should be competitive, and as much so as possible, in full knowledge that if capital itself was opened up to competition capitalism would be destroyed, as all the means by which labour is robbed of its product, by rent, profit, interest, tax, would be removed. Capitalism rests upon, not competition, but monopoly. As the American mutualist and individualist Benjamin Tucker said:

"It was revealed that capital had so manipulated legislation that unlimited competition is allowed in supplying productive labour, thus keeping wages down to the starvation point, or as near to it as practicable; that a great deal of competition is always in the supplying of productive labour, or amongst the mercantile classes, thus keeping, not the actual prices of goods, but the merchant's profits on them, down [as we saw with the small shops] to a point somewhat approximating equitable wages for the merchant's work; but that almost no competition is allowed in supplying capital, upon the aid of which the productive and distributive labour are dependent for their power of achievement, thus keeping the rate of interest on money and of house-rent and ground-rent at as high as the necessities of the people will bare . . . *Laissez faire* was very good sauce for the goose, labour, but very poor sauce for the gander, capital."

We mutualists, then, accuse capitalism of thriving upon inconsistency and deceit in the teaching of its ideas, and we also accuse the state of existing only to perpetuate such a situation. It is because of legislative action concerning the economy that capitalism exists, and thus to destroy it we must undermine and destroy the state. For if we look at the issue etymologically *monopoly* is from two derivatives, *mono* and *poly*. *Poly* is from *polis*, which means city, but has been transformed to be politics, or also organisation, or control, whilst *mono* means one, or



single - monarchy being single rule. Therefore monopoly is a situation where circumstances are controlled by a single body. This is in the ideal form, nowadays we have oligopoly, a few monopolies in one market. The establishment of the federal government controlled postal service in the US by making all other postal services illegal is a situation where a whole circumstance, of function, post, is controlled by a single organisation, the US government. Or the NHS here. These are monopolies. Plura refers to many, therefore the opposite of monopoly is pluropoly, the control of a situation by a great many separate bodies, as in perfect competition. So when the provision of fish is performed by just one organisation, that is the fish market is controlled by one organisation, there is a monopoly. There is free competition and an absence of monopoly when the fish market is controlled by a great many, independent fishing fleets and outlets, or single fishing boats. Communists want all services to be provided by the state, and most so called "socialist" view its jurisdiction over the sole provision of health and education as a just thing, and thus call for a monopoly by the state in the belief that we would get it cheaply and at high quality if it is controlled by a government elected by the whole of society. Would we be assured high quality burgers at a cheap price if we, the public, elected the president of Burger King, which also owned all burger manufacturing and outlets, to the position at which he personally could benefit selfishly the easiest? Surely not! The solution to the social problem is not to create monopoly but pluropoly. The communists want unity in a centralised society and therefore have one organisation controlling everything - the State. Thus they are in favour of monopoly in its extreme. Also, unity meaning "oneness" ("unanimous" - "as one", "unique" - "a single type" - "unite" - "many separate bodies come together to cease being separate and become one") they are opposed to plurality amongst people.

The American mutualists set the evils of capitalism, that is monopoly, out as four state defended monopolies:

The patent and copyright monopoly, by which the state defends the right to limit access to, and to hold exclusively (sole ownership), ideas and designs. This prevents education as it limits students access to the materials they need, but also it limits competition by granting only particular bodies access to the ideas and material or manufacture plans and treats them as property to be bought and sold by the richest, inevitably those who already own vast amounts of capital and thus already have an advantage over competitors, thus the state grants the capitalist the power to escape competition.

The tariff monopoly. Prices are too high, and they are so high due to the state's attempts at regulating prices. Also it applies to foreign trade and the state's attempts to regulate this, as we have said, preventing



workers from freely disposing of their products to who they chose by fixing the prices at which they may be sold, or taxing a part of the value generated in the exchange that should rightfully belong to workers.

The land and capital monopoly. Of this we have already commented to an extent. It is the role of the state in capitalist society to protect the extent of the right to private property. Thus the state protects the capitalists vast monopolies, and has granted the capitalist the right to them. If only a few separate individuals own all the land, then when it comes to be sold the buyer can't say "I won't pay you rent", or "that price is scandalous, I'll go elsewhere". The mutualists believe that society should grant property based upon possession whereas the capitalist uses the state to defend property arbitrarily based upon domain, and thus the proprietor can actually have nothing to do with the property but still get interest off it and limit access to it. Mutualists believe that "common land" (which is now owned by the state and if the Marxists get their way will remain so, thus saying that farmers only have the right to work by the "grace and good will" of our good and honest politicians), that land which has never been worked should become property by squatting and, as always in mutualist theory, all who occupy or possess a particular plot have an equal right to own it as shares of property amongst themselves.

The money monopoly. This is most important to mutualists, and again is caused by the state. Money is absolutely necessary in any advanced exchange economy, as it goes hand in hand with the division of labour. Consider in medieval times, the village maybe has a smithy and a tanner's shop. This is a division of labour - instead of attempting all tasks at once a society divides tasks amongst itself and each trade produces in excess of what it can itself consume so that it can exchange for those goods it can produce. Also in more minute applications of the division of labour the workers all work together, consolidating their efforts to produce a single article, and thus without money each worker cannot come away from that association with private access to the wealth created by the sale of that object proportional to the value of his share of the labour he contributed to its production. Now some more utopian socialists long to go back to a time of barter when products could be exchanged directly with out the use of money. This is not beneficial as it will cause poverty and no worker now will support it as workers now enjoy a better quality of life than we lead in medieval times. Let us consider the matter: Suppose I grow potatoes. In growing potatoes I haven't had time to build for myself a chair, which I sorely need, having back problems. Now, in our economy without money if the chair maker likes potatoes he will be willing to trade a quantity of his product for a quantity of mine. But what if he doesn't like potatoes, he likes swedes, and the swede grower doesn't like chairs but likes potatoes, but I don't like swedes? Now none of us can get what we want. But if we have some valueless material that is useless in itself. I



could give a proportion of this valueless material to the chair maker, in exchange for a chair, and the chair maker could give some of it to the swede grower for swedes, and he in turn for potatoes. Thus money is called liquid wealth as it can take the form of any wealth equal to its volume. It is an exchange medium, for facilitating exchange and generating demand, thus speeding it up and allowing us greater access to greater quantities, or more varied goods. If there is no money in circulation, I can borrow some, and do business with it, or spend it on capital that I can use to produce more wealth to trade, giving it back when I have finished. This is money in its most basic form. It should also be known that it is far from being as simple as this in operation. For instance we get the basis of monetarism, the volume theory that says

$$P = \frac{MV + M'V'}{T}$$

Where P is price M is the ordinary hand to hand money, V is the velocity at which the money changes hands, or the rate of turnover, M' is bank deposits or money at use in banks and V' is the rate over turn over of this money, and T is the number of transactions, or the level of economic activity. Thus when the rate we spend money is stable, and so too is the volume of trade, then the level of M or M' can determine what prices will be, and thus, by controlling the amount of money that goes into circulation we can control price. This is *a priori* true. The full effects of this theory are irrelevant. The basic fact we have to deal with is if the circulation of money is controlled then it will effect trade, and, more importantly, it will effect prices, and thus profits.

If there is competition amongst lenders of capital, or rather lenders of money with which to buy capital, then when interest is too high, we can say "I'm not paying that, I'll go elsewhere" thus in order to attract business on a freely competitive capital market the lenders must charge low interest, that is make very little interest, so competition destroys usury by depressing the rate of interest, which, as we have seen, guarantees a higher percentage return to the producer. Banks exist in order to bring capital and labour together, for without money to buy capital the worker can produce nothing, and without a worker the tool is useless. But once a bank gets organised, once lender of capital come together in an organisation competition is destroyed. Though lenders share the interest amongst themselves they will get a higher rate of interest than when they were competing, and thus a monopoly is formed, a monopoly that will harm the working classes. The organisation receives the legislative sanction of the state, and thus the few control the fortunes of the many, by controlling trade. However, there is still the possibility that others will form banks and compete again, thus causing a drop in interest. Having



granted them the right to incorporation the government again intervenes, granting privilege. At the beginning of this essay I said how trade is buying and selling the product of labour, when I give my potatoes to the chair maker I buy his chair in exchange. Likewise if I had received money in exchange for the sale of my potatoes, I would have bought money, and when I use that money to buy other products I sell my money. Now specie has been established in the form of gold and silver. Specie is not the same as standard, it means simply coinage, whereas standard is the weight or the measure of an article, to which others must conform. What is more is that government has, through legislative action, made these precious metals the sole legal tender and excluded all other types of property from becoming money. Now exchange goes ahead in the same manner as before, the potato seller trading money for the chair, etc., but this time the money is a precious metal. As we have seen when discussing value the utility, that a commodity's value as a useful item, gives it a price, and the relative scarcity of it can either boost or drop that price - supply and demand. Thus exchange-value depends upon utility and relative scarcity, and money definitely has a utility - it is in almost permanent demand. The fact that precious metals that otherwise have very little utility are used as money radically enhances their utility, and thus gives them an exchange value, which solely exists by the legislative action of governments. Thus money, which should be nothing more than a medium of exchange becomes a marketable commodity, its scarcity contracting its utility, and thus allowing those who control its supply, those who command a monopoly in its distribution to control all the business in a community and secure themselves a premium from all those who have to do business with this money. Governments have attempted to solve this problem by limiting interest rates, but they have also enabled lenders of money to distribute paper money twice the value of specie, thus doubling interest. In the words of William Greene:

"Now the banks have everything in their hands. They make great issues and money becomes plenty; . . . all other commodities become dear. Then the capitalist sells what he has to sell, while prices are high. The banks draw in their issues [increase interest] and money becomes scarce, . . . all other commodities become cheap. The community becomes distressed for money, individuals are forced to sell their property to raise money - and to sell at a loss on account of the state of the market: then the capitalist buys what he desires to buy, while everything is cheap . . . The operation of the banking system is evident"

The problem was that on one hand money was based solely on one type of property, precious metal, and bank notes considered only redeemable in this metal, and secondly the right to distribute this money was granted



only to a few individuals in monopoly. To solve the problem mutualist suggest mutual money. Now I look back, I think that I came across the basic principle of mutual money as a child. I used to have a pound as pocket money. I liked to eat a lot of crisps, and I also liked to read trashy sci-fi, which I could buy second hand for a pound. Thus the choice was a book, or four packets of crisps. So why couldn't I exchange four packets of crisps for a book? Because my pound coin was specie, and thus only redeemable in gold. However the principle was true - any property can become money, there is no reason why a bank note should only be redeemable in specie, and that is gold or silver. Thus mutualists propose that workers organise and form institutions called mutual banks, or People's Banks. George Woodcock describes Proudhon's plans of such an institution:

"In substance it was mutualism put into concrete form. Proudhon envisaged an organisation in which the workers, as members, guaranteed each other. Credit would no longer be a matter arranged by financiers or the state; it would rest on the mutual support which the workers were willing to organise. In order that there might be neither shortage nor surplus, credit must be unrestricted and its scope must be equal to the productivity of society; instead being subject to usury, it must be gratuitous. To realise this end the actual products of workers should become, in a sense, current money. This could be achieved by the use of coupons handed to each worker on the basis of his production, as an issue of gratuitous credit, by which he would be able to buy the products of other workers."

Thus we should form mutual banks. People can become members of this bank by pledging mortgages on actual property, and the bank will issue the member with bank notes equal to half the value of the property. It would have to be half the value so that depreciation or failure at sale can be covered. Money wouldn't be loaned to non-members, and thus it is always secured and inflation cannot occur. Members agree to exchange the bank notes as payment, on par, in all exchanges where offered by fellow members. The interest on the loans should only be enough to cover payment for the running of the bank, and competition between banks, as in all other services, would keep this at equilibrium price. The formation of such a bank should be postponed until a suitable number of businesses agree to become members, thus guaranteeing circulation of the mutual money. Members are released from their mortgages after they have redeemed it, and specie will never become redeemable at the People's Bank.

Thus the objective of the construction of the People's Bank is to supply currency in the sufficient volume to satisfy the need for it, thus



making it necessary to completely discard the idea of specie as a basis for the exchange medium. There is, however nothing wrong with maintaining the valuation of monetised property (now no longer just gold) being measured by the standard of value. This actually presents beneficial functions as first of all the value of property is already measured in pounds, so the first member will be issued notes equal to the value of his property in pounds. Also it will enable the mutual money to circulate alongside the government's money, rising and falling alongside it but without the threat of depreciation, and being used to finance workers associations and coops to create a mutualist hegemony that will gradually undermine the state and capitalism and the UK. Based upon the usual sterling according to the designated degree of fineness and alloy of metal mutual money will serve only as an instrument of exchange and no longer as a tool by which speculators exploit labour. Thus Proudhon and Greene have proven that the thing which makes money a threat to the working class, is the doubt in its final redemption, and thus aim to eliminate this risk by generalising the bill of exchange, as Greene says:

" . . . that is to say, in making of it an anonymous title, exchangeable forever, and redeemable at sight, *but only in merchandise and services*. Or, to speak in a language more comprehensible to financial adepts, the problem consists in *basing* bank paper . . . upon products."

Thus the formation of a decentralised network of what are, essentially, producers banks that will monetise values other than specie, and not make interest shall undermine the state supported money monopoly. Thus rates far above the plans proposed by Marxists, for in the Communist Manifesto it says that there should be "Centralisation of credit in the hands of the State, by means of a national bank with state capital and an exclusive monopoly." We have proven that the very fact that capitalism exists rests upon the fact that there is already a centralised monopoly of credit between the State and capitalists, so all Marx proposes is the making of this fact more obvious, the ability to blame the wrongs of such an institution upon the people, and blind trust in politicians to solve our problems for us. For myself I place no trust in the political scum that run this country - I remember Stalin, and Hitler and Thatcher's destruction of this nation's manufacturing industries. I realise that humans aren't naturally good, and are just as capable of evil as they are of good, so the least amount of power we vest in one person, or one single organisation the better. This is why mutual banks are in a decentralised network, all competing - so they can balance each other's influence, likewise with the worker controlled industries. Marxists vest the



entire control of the economy and all social policy in the hands of a centralised state operated by an elected government, the proportion of which now measures at only 0.001066 recurring percent of the of the UK population (640 MPs to a population of approximately 60,000,000)! Anarchist communism is just the same, only on a local scale.

And what will be the cause of the destruction of the money monopoly? Let us ask Benjamin Tucker:

"... if the business of banking were made free for all, more and more persons would enter into it until the competition should become sharp enough to reduce the price of lending money to the labour cost, which statistics show to be less than three quarters of one-percent. In that case the thousands of people now deterred from entering into business by the ruinously high rates they must pay for capital with which to start and carry on there business will find their obstacles removed. If they have property which they do not desire to convert into money by sale, a bank will take it as collateral for a loan of a certain proportion of its market value, at less than one percent discount . . . Thus interests will fall at a blow. The banks will not really be lending capital at all, but will be doing business on the capital of their customers, the business consisting in an exchange of the known and widely available credits of the bank, and the unknown and unavailable, but equally good, credits of the customers, and a charge therefore of less than one percent, not as interest for the use of the capital of the bank, but as pay for the labour of running the banks. This facility of acquiring capital will give an unheard-of impetus to business, and consequently create an unprecedented demand for labour, - a demand which will always be in excess of the supply, directly the contrary of the present condition of the labour market . . . the labour will be in a position to dictate its wages, and will thus secure its natural wage, its entire product. Thus the same blow that will strike down interest will send wages up. But this is not all. Down will go profits also. For merchants, instead of buying at high prices on credit [like our small shop keepers], will borrow money at less than one percent, buy at low prices for cash and correspondingly reduces their prices of their goods to their customers. And with the rest will go house-rent. For no one who can borrow capital at less than one per cent with which to build a house of his own will consent to pay rent to a landlord at a higher rate than that. Such is the vast claim made by Proudhon and Warren as to the results of the simple abolition of the money monopoly."

So away with non-sensical requests for social provision of education, and health. Such nationalised services only exist because we currently cannot afford to secure them on a personal face-to-face basis. Well we have suggested the reasons for this, and we have suggested a



solution, so we say "No, politicians, we will not be indebted to you for the education of our children, we shall not be indebted to you for the provision of our health. We have the right to freely associate with whom we choose and will not have your association imposed upon us, and this implies a right to choose who we wish to receive aid from. Thanks to the People's Bank we can now afford this right, so we need no NHS, we need no nationalised education, or anything you would use to enslave us with. The rich are unnecessary, so we do not require their taxes to buy what we can afford ourselves". So we see how futile and useless the usual attempts are at asking the state to provide "free" health and education. What for? This is after all what anarchism is about. The anarchist communists tell us we can only solve our problems if we form a commune - an association. They tell us that we *should* want to work collectively with our fellows, that we *should* want to support each other with our labour. Well I say that telling me what I should and should not want is mind control. If I feel selfish, then any attempt to tell me not to feel selfish, to prevent me from existing in that state is an attempt to take possession of my person, to own my mind and control my thoughts. Anarchism is about free association, that is an association that is not imposed. Thus to base an entire economic system around the commune is to prevent me from doing anything but join a commune, how can that be free association. The aim of anarchism is not to take association for granted, for it is up to the individual desires of people if they should wish to associate and cooperate or not, but to make it possible for people to exist comfortably of their own volition whether they want to do this with people, or by themselves. IT IS UP TO ME WHO I SUPPORT WITH MY LABOUR, AND WHO I CHOOSE TO BE FRIENDLY WITH. Any attempt other wise is an invasive violation upon the sovereignty of my person, and thus a crime against liberty. So no welfare state - we shall abolish it along with all other states, free and equal access to the means of production by the use of mutually guaranteed free credit, the right of exclusive ownership to all those who occupy and use property - that is workers of their work places - equal collective occupation and use making for collective property, absolutely free markets so that none may try to interfere with the worker's right to control and dispose of their products as they see fit and to produce sale at equilibrium price thus without exploitation so that every exchange is really an act of mutual cooperation, the replacing of laws with reciprocal bilateral contracts so that we may associate by choice securing the rights we wish and the duties we agree to individually, and to ignore all proposed systems of association as they are utopian schemes that leave us unfree to do with our persons as we see fit - we will organise amongst our selves when circumstances call for it, according to the necessary methods enforced upon us by those situations. That is what mutualism is.



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