The Attitude of Anarchism Toward Industrial Combinations

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1903

Having to deal very briefly with the problem with which the so-called trusts confront us, I go at once to the heart of the subject, taking my stand on these propositions: That the right to cooperate is as unquestionable as the right to compete; that the right to compete involves the right to refrain from competition; that co-operation is often a method of competition, and that competition is always, in the larger view, a method of co-operation; that each is a legitimate, orderly, non-invasive exercise of the individual will under the social law of equal liberty; and that any man or institution attempting to prohibit or restrict either, by legislative enactment or by any form of invasive force, is, in so far as such man or institution may fairly be judged by such attempt, an enemy of liberty, an enemy of progress, an enemy of society, and an enemy of the human race.

Viewed in the light of these irrefutable propositions, the trust, then, like every other industrial combination endeavoring to do collectively nothing but what each member of the combination rightfully may endeavor to do individually, is *per se*, an unimpeachable institution. To assail or control or deny this form of co-operation on the ground that it is itself a denial of competition is an absurdity. It is an absurdity, because it proves too much. The trust is a denial of competition in no other sense than that in which competition itself is a denial of competition. The trust denies competition only by producing and selling more cheaply than those outside of the trust can produce and sell; but in that sense every successful individual competitor also denies competition. And if the trust is to be suppressed for such denial of competition, then the very competition in the name of which the trust is to be suppressed must itself be suppressed also. I repeat: the argument proves too much. The fact is that there is one denial of competition which is the right of all, and that there is another denial of competition which is the right of none. All of us, whether out of a trust or in it, have a right to deny competition by competing, but none of us, whether in a trust or out of it, have a right to deny competition by arbitrary decree, by interference with voluntary effort, by forcible suppression of initiative.

Again: To claim that the trust should be abolished or controlled because the great resources and consequent power of endurance which it acquires by combination give it an undue advantage, and thereby enable it to crush competition, is equally an argument that proves too much. If John D. Rockefeller were to start a grocery store in his individual capacity, we should not think of

suppressing or restricting or hampering his enterprise simply because, with his five hundred millions, he could afford to sell groceries at less than cost until the day when the accumulated ruins of all other grocery stores should afford him a sure foundation for a profitable business. But, if Rockefeller's possession of five hundred millions is not a good ground for the suppression of his grocery store, no better ground is the control of still greater wealth for the suppression of his oil trust. It is true that these vast accumulations under one control are abnormal and dangerous, but the reasons for them lie outside of and behind and beneath all trusts and industrial combinations, – reasons which I shall come to presently, – reasons which are all, in some form or other, an arbitrary denial of liberty; and, but for these reasons, but for these denials of liberty, John D. Rockefeller never could have acquired five hundred millions, nor would any combination of men be able to control an aggregation of wealth that could not be easily and successfully met by some other combination of men.

Again: There is no warrant in reason for deriving a right to control trusts from the State grant of corporate privileges under which they are organized. In the first place, it being pure usurpation to presume to endow any body of men with rights and exemptions that are not theirs already under the social law of equal liberty, corporate privileges are in themselves a wrong; and one wrong is not to be undone by attempting to offset it with another. But, even admitting the justice of corporation charters, the avowed purpose in granting them is to encourage co-operation, and thus stimulate industrial and commercial development for the benefit of the community. Now, to make this encouragement an excuse for its own nullification by a proportionate restriction of co-operation would be to add one more to those interminable imitations of the task of Sisyphus for which that stupid institution which we call the State has ever been notorious.

Of somewhat the same nature, but rather more plausible at first blush, is the proposition to cripple the trusts by stripping them of those law-created privileges and monopolies which are conferred, not upon trusts as corporate bodies, but upon sundry individuals and interests, ostensibly for protection of the producer and inventor, but really for purposes of plunder, and which most trusts acquire in the process of merging the original capitals of their constituent members. I refer, of course, to tariffs, patents, and copyrights. Now, tariffs, patents, and copyrights either have their foundations in justice, or they have not their foundations in justice. If they have their foundations in justice, why should men guilty of nothing but a legitimate act of co-operation and partnership be punished therefore by having their just rights taken from them? If they have not their foundations in justice, why should men who refrain from co-operation be left in possession of unjust privileges that are denied to men who co-operate? If tariffs are unjust, they should not be levied at all. If patents and copyrights are unjust, they should not be granted to anyone whomsoever. But, if tariffs and patents and copyrights are just, they should be levied or granted in the interest of all who are entitled to their benefits from the viewpoint of the motives in which these privileges have their origin, and to make such levy or grant dependent upon any foreign motive, such, for instance, as willingness to refrain from co-operation, would be sheer impertinence.

Nevertheless, this point in the hunt for the solution of the trust problem, the discerning student may begin to realize that he is hot on the trail. The thought arises that the trusts, instead of growing out of competition, as is so generally supposed, have been made possible only by the absence of competition, only by the difficulty of competition, only by the obstacles placed in the way of competition, – only, in short, by those arbitrary limitations of competition which we find in those law-created privileges and monopolies of which I have just spoken, and in one or two

others, less direct, but still more far-reaching and deadly in their destructive influence upon enterprise. And it is with this thought that Anarchism, the doctrine that in all matters there should be the greatest amount of individual liberty compatible with equality of liberty, approaches the case in hand, and offers its diagnosis and its remedy.

The first and great fact to be noted in the case, I have already hinted at. It is the fact that the trusts owe their power to vast accumulation and concentration of wealth, unmatched, and, under present conditions, unmatchable, by any equal accumulation of wealth, and that this accumulation of wealth has been effected by the combination of several accumulations only less vast and in themselves already gigantic, each of which owed its existence to one or more of the only means by which large fortunes can be rolled up, – interest, rent, and monopolistic profit. But for interest, rent, and monopolistic profit, therefore, trusts would be impossible. Now, what causes interest, rent, and monopolistic profit? For all there is but one cause, – the denial of liberty, the suppression or restriction of competition, the legal creation of monopolies.

This single cause, however, takes various shapes.

Monopolistic profit is due to that denial of liberty which takes the shape of patent, copyright, and tariff legislation, patent and copyright laws directly forbidding competition, and tariff laws placing competition at a fatal disadvantage.

Rent is due to that denial of liberty which takes the shape of land monopoly, vesting titles to land in individuals and associations which do not use it, and thereby compelling the non-owning users to pay tribute to the non-using owners as a condition of admission to the competitive market.

Interest is due to that denial of liberty which takes the shape of money monopoly, depriving all individuals and associations, save such as hold a certain kind of property, of the right to issue promissory notes as currency, and thereby compelling all holders of property other than the kind thus privileged, as well as all non-proprietors, to pay tribute to the holders of the privileged property for the use of a circulating medium and instrument of credit which, in the complex stage that industry and commerce have now reached, has become the chief essential of a competitive market.

Now, Anarchism, which, as I have said, is the doctrine that in all matters there should be the greatest amount of individual liberty compatible with equality of liberty, finds that none of these denials of liberty are necessary to the maintenance of equality of liberty, but that each and every one of them, on the contrary, is destructive of equality of liberty. Therefore it declares them unnecessary, arbitrary, oppressive, and unjust, and demands their immediate cessation.

Of these four monopolies – the banking monopoly, the land monopoly, the tariff monopoly, and the patent and copyright monopoly – the injustice of all but the last-named is manifest even to a child. The right of the individual to buy and sell without being held up by a highwayman whenever he crosses an imaginary line called a frontier; the right of the individual to take possession of unoccupied land as freely as he takes possession of unoccupied water or unoccupied air; the right of the individual to give his IOU, in any shape whatsoever, under any guarantee whatsoever, or under no guarantee at all, to anyone willing to accept it in exchange for something else, – all these rights are too clear for argument, and any one presuming to dispute them simply declares thereby his despotic and imperialistic instincts.

For the fourth of these monopolies, however, – the patent and copyright monopoly, – a more plausible case can be presented, for the question of property in ideas is a very subtle one. The defenders of such property set up an analogy between the production of material things and

the production of abstractions, and on the strength of it declare that the manufacturer of mental products, no less than the manufacturer of material products, is a laborer worthy of his hire. So far, so good. But, to make out their case, they are obliged to go further, and to claim, in violation of their own analogy, that the laborer who creates mental products, unlike the laborer who creates material products, is entitled to exemption from competition. Because the Lord, in his wisdom, or the Devil, in his malice, has so arranged matters that the inventor and the author produce naturally at a disadvantage, man, in his might, proposes to supply the divine or diabolic deficiency by an artificial arrangement that shall not only destroy this disadvantage, but actually give the inventor and author an advantage that no other laborer enjoys, – an advantage, moreover, which, in practice goes, not to the inventor and the author, but to the promoter and the publisher and the trust.

Convincing as the argument for property in ideas may seem at first hearing, if you think about it long enough, you will begin to be suspicious. The first thing, perhaps, to arouse your suspicion will be the fact that none of the champions of such property propose the punishment of those who violate it, contenting themselves with subjecting the offenders to the risk of damage suits, and that nearly all of them are willing that even the risk of suit shall disappear when the proprietor has enjoyed his right for a certain number of years. Now, if, as the French writer, Alphonse Karr, remarked, property in ideas is a property like any other property, then its violation, like the violation of any other property, deserves criminal punishment, and its life, like that of any other property, should be secure in right against the lapse of time. And, this not being claimed by the upholders of property in ideas, the suspicion arises that such a lack of the courage of their convictions may be due to an instinctive feeling that they are wrong.

The necessity of being brief prevents me from examining this phase of my subject in detail. Therefore I must content myself with developing a single consideration, which, I hope, will prove suggestive.

I take it that, if it were possible, and if it had always been possible, for an unlimited number of individuals to use to an unlimited extent and in an unlimited number of places the same concrete things at the same time, there never would have been any such thing as the institution of property. Under those circumstances the idea of property would never have entered the human mind, or, at any rate, if it had, would have been summarily dismissed as too gross an absurdity to be seriously entertained for a moment. Had it been possible for the concrete creation or adaptation resulting from the efforts of a single individual to be used contemporaneously by all individuals, including the creator or adapter, the realization, or impending realization, of this possibility, far from being seized upon as an excuse for a law to prevent the use of this concrete thing without the consent of its creator or adapter, and far from being guarded against as an injury to one, would have been welcomed as a blessing to all, – in short, would have been viewed as a most fortunate element in the nature of things. The *raison d'être* of property is found in the very fact that there is no such possibility, – in the fact that it is impossible in the nature of things for concrete objects to be used in different places at the same time. This fact existing, no person can remove from another's possession and take to his own use another's concrete creation without thereby depriving that other of all opportunity to use that which he created, and for this reason it became socially necessary, since successful society rests on individual initiative, to protect the individual creator in the use of his concrete creations by forbidding others to use them without his consent. In other words, it became necessary to institute property in concrete things.

But all this happened so long ago that we of today have entirely forgotten why it happened. In fact, it is very doubtful whether, at the time of the institution, of property, those who effected it thoroughly realized and understood the motive of their course. Men sometimes do by instinct and without analysis that which conforms to right reason. The institutors of property may have been governed by circumstances inhering in the nature of things, without realizing that, had the nature of things been the opposite, they would not have instituted property. But, be that as it may, even supposing that they thoroughly understood their course, we, at any rate, have pretty nearly forgotten their understanding. And so it has come about that we have made of property a fetish; that we consider it a sacred thing; that we have set up the god of property on an altar as an object of idol-worship; and that most of us are not only doing what we can to strengthen and perpetuate his reign within the proper and original limits of his sovereignty, but also are mistakenly endeavoring to extend his dominion over things and under circumstances which, in their pivotal characteristic, are precisely the opposite of those out of which his power developed.

All of which is to say in briefer compass, that from the justice and social necessity of property in concrete things we have erroneously assumed the justice and social necessity of property in abstract things, – that is, of property in ideas, – with the result of nullifying to a large and lamentable extent that fortunate element in the nature of things, in this case not hypothetical, but real, – namely, the immeasurably fruitful possibility of the use of abstract things by any number of individuals in any number of places at precisely the same time, without in the slightest degree impairing the use thereof by any single individual. Thus we have hastily and stupidly jumped to the conclusion that property in concrete things logically implies property in abstract things, whereas, if we had had the care and the keenness to accurately analyze, we should have found that the very reason which dictates the advisability of property in concrete things denies the advisability of property in abstract things. We see here a curious instance of that frequent mental phenomenon, – the precise inversion of the truth by a superficial view.

Furthermore, were the conditions the same in both cases, and concrete things capable of use by different persons in different places at the same time, even then, I say, the institution of property in concrete things, though under those conditions manifestly absurd, would be infinitely less destructive of individual opportunities, and therefore infinitely less dangerous and detrimental to human welfare, than is the institution of property in abstract things. For it is easy to see that, even should we accept the rather startling hypothesis that a single ear of corn is continually and permanently consumable, or rather inconsumable, by an indefinite number of persons scattered over the surface of the earth, still the legal institution of property in concrete things that would secure to the sower of a grain of corn the exclusive use of the resultant ear would not, in so doing, deprive other persons of the right to sow other grains of corn and become exclusive users of their respective harvests; whereas the legal institution of property in abstract things not only secures to the inventor, say, of the steam engine the exclusive use of the engines which he actually makes, but at the same time deprives all other persons of the right to make for themselves other engines involving any of the same ideas. Perpetual property in ideas, then, which is the logical outcome of any theory of property in abstract things, would, had it been in force in the lifetime of James Watt, have made his direct heirs the owners of at least nine-tenths of the now existing wealth of the world; and, had it been in force in the lifetime of the inventor of the Roman alphabet, nearly all the highly civilized peoples of the earth would be today the virtual slaves of that inventor's heirs, which is but another way of saying that, instead of becoming highly civilized, they would

have remained in the state of semi-barbarism. It seems to me that these two statements, which in my view are incontrovertible, are in themselves sufficient to condemn property in ideas forever.

If then, the four monopolies to which I have referred are unnecessary denials of liberty, and therefore unjust denials of liberty, and if they are the sustaining causes of interest, rent, and monopolistic profit, and if, in turn, this usurious trinity is the cause of all vast accumulations of wealth, – for further proof of which propositions I must, because of the limitations of my time, refer you to the economic writings of the Anarchistic school, – it clearly follows that the adequate solution of the problem with which the trusts confront us is to be found only in abolition of these monopolies and the consequent guarantee of perfectly free competition.

The most serious of these four monopolies is unquestionably the money monopoly, and I believe that perfect freedom in finance alone would wipe out nearly all the trusts, or at least render them harmless, and perhaps helpful. Mr. Bryan told a very important truth when he declared that the destruction of the money trust would at the same time kill all the other trusts. Unhappily, Mr. Bryan does not propose to destroy the money trust. He wishes simply to transform it from a gold trust into a gold and silver trust. The money trust cannot be destroyed by the remonetization of silver. That would be only a mitigation of the monopoly, not the abolishment of it. It can be abolished only by monetizing all wealth that has a market value, – that is, by giving to all wealth the right of representation by currency, and to all currency the right to circulate wherever it can on its own merits. And this is not only a solution of the trust question, but the first step that should be taken, and the greatest single step that can be taken, in economic and social reform.

I have tried, in the few minutes allotted to me, to state concisely the attitude of Anarchism toward industrial combinations. It discountenances all direct attacks on them, all interference with them, all anti-trust legislation whatsoever. In fact, it regards industrial combinations as very useful whenever they spring into existence in response to demand created in a healthy social body. If at present they are baneful, it is because they are symptoms of a social disease originally caused and persistently aggravated by a regimen of tyranny and quackery. Anarchism wants to call off the quacks, and give liberty, nature's great cure-all, a chance to do its perfect work.

Free access to the world of matter, abolishing land monopoly; free access to the world of mind, abolishing idea monopoly; free access to an untaxed and unprivileged market, abolishing tariff monopoly and money monopoly, – secure these, and all the rest shall be added unto you. For liberty is the remedy of every social evil, and to Anarchy the world must look at last for any enduring guarantee of social order.

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Retrieved on April 29, 2025 from https://praxeology.net and https://catalog.hathitrust.org
An address delivered by Benj. R. Tucker in Central Music Hall, Chicago, on September 14, 1899, before the Conference on Trusts held under the auspices of the Civic Federation.

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