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In my previous article "In Lieu of Free Banking," I outline the mutualist and individualist anarchist arguments for free and mutual banking, its potential ability to empower labor, and, briefly, some immediate proxies available via credit unions and alternative currencies. But I also point to Laurance Labadie's assessment of Benjamin Tucker's (and later his own) belief that wealth and property "concentrations had reached such a pass that even if it could be inaugurated, free banking alone would not be sufficient to break the monopolistic power of capital." I ultimately conclude then that…

> maybe it's time to start thinking more like syndicalists and autonomists; positioning ourselves as not just as market anarchists but as explicitly *class-struggle* market anarchists (not unlike Dyer Lum and Joseph Labadie in the 1800s or Carson and Logan Glitterbomb today), who seek immediate, everyday forms of resistance as a means to leverage control by workers (in the broadest possible sense, i.e. including homemak-

> ers, students, the un- and under-employed "reserve army of labor," etc.) over spaces of production in order to establish economic autonomy for communities and dual power in opposition to the dominant state capitalist economy. Along with attempts to potentially radicalize credit unions, we need a concerted effort toward cooperative development, radical unionization, and greater worker power in general. We need to help establish "free associations of producers" that can exchange among themselves without centralized intervention and often via counter-economic means to form something like Samuel Edward Konkin III's agora—a space of nonviolent exchange kept safe from state violence—the perfect conditions to establish proper Banks of the People (as Proudhon called the concept) on the basis of mutual credit

But this is not simply a response to the "pessimist challenge" of Proudhonists (more or less) like Tucker and Labadie, but also in response to a challenge from Karl Marx, specifically his arguments *against* Pierre-Joseph Proudhon's monetary reforms found in his *Grundrisse*.

Within this unfinished work, Marx responds to Proudhon's proposals for a new form of money freed from both state-control and metallic universalism that can allow labor to leverage its own power in a market system. Marx asks: "Can the existing relations of production and the relations of distribution which correspond to them be revolutionized by a change in the instrument of circulation, in the organization of circulation? Further question: Can such a transformation of circulation be undertaken without touching the existing relations of production and the social relations which rest on them?" Marx denies the possibility of a peaceful, monetary transition to post-capitalism by pointing to the example of Scottish

The hope then would be to network between these counter-economic spaces of worker self-management via non-capitalist markets with alternative currencies and mutual credit institutions; as opposed to writing off exchange as a secondary, bourgeois issue in favor of ineffective, bureaucratic bludgeoning tool that even decentralized planning tends toward. Ultimately this more more comprehensive vision of worker control of both production *and* exchange follows the view of sociologist Georges Gurvitch "*that no social doctrine that is concerned about both dedogmatising Marxism and correcting Proudhon by surpassing them both is possible without a synthesis of the thought of these enemy brothers*. For these enemy brothers are condemned to seeing their contributions melt into a third doctrine" based on "worker self-management;" a move that also further bridges the "complementary" split in autonomist Marxist praxis between, as Carson outlines in chapter six of his book *Exodus*, the "seizing [of] the factories, whether social or literal" (à la Antonio Negri and Micheal Hardt) and the undertaking of "an ever larger share of production of life's necessities in the social sphere, in self-provisioning in the informal economy, through commons-based peer production, or through cooperative labor by workers using affordable high-tech tools in their own homes and shops" more in line with the likes of Sylvia Federici and John Holloway.

the difference between markets and capitalism but different kinds of markets—particularly black and grey ones. Central to agorist revolutionary strategy, the counter-economy formed by these anti-statist markets is frequently written off by orthodox Marxists as a purely "lumpenproletariat" phenomenon. However, this obfuscates its nature as a common network that everyday people (waged workers, "surplus" laborers, working-class homemakers, and independent producers alike) all participate in to varying levels as a means to survive under the regime of state capitalism (like community networks in U.S. neighborhoods or the massive black markets of the Soviet Union). A movement then toward the counter-economy entails greater control of production *and* exchange by everyday people, lending itself toward Logan Glitterbomb's proposal that…

> [w]hile agorists build alternatives to the white market within the black and grey markets, syndicalists could focus on challenging existing white market entities from the inside, eventually taking them over as [Murray] Rothbard advocated. But it doesn't have to stop there. Agorists should indeed advocate that syndicalists go even further. Once a white market business is successfully syndicalized, agorist-syndicalists should help transition the business into the agora. The newly collectivized business should eventually do what all good agorist businesses do: ignore state licensing regimes, refuse to pay taxes, engage in the use of alternative currencies, and generally disregard statist interference with their business dealings. They just successfully ousted the boss, why submit to yet another authority? They just got rid of the corporate cronies who became rich by stealing the fruits of their labor so then why let the state do the same through taxes?

free banking. In chapter 2 of David Harvey's *Companion to Marx's Grundrisse*, he writes how…

> Marx concludes with the case of the Scottish [free] banking system, which reflects the fact that "the Scots hate gold." The Scottish case is important "because it shows on the one hand how the monetary system can be completely regulated" so that "all the evils [the Proudhonist Alfred] Darimon bewails can be abolished—without departing from the present social basis; while at the same time its contradictions, its antagonisms, the class contradiction etc. have reached an even higher degree than in any other country in the world" (133). In fact, "the Scottish banking and monetary system was indeed the most perilous reef for the illusions of the circulation artists." The Scots liberated themselves from the supposed chains of the metallic money commodities without accomplishing any of the revolutionary aims that Proudhon had in mind.

As such, even though Scottish free banking proved highly stable from a market economics lens, in Marx's opinion, the lack of focus—or rather the indirect focus—on the means of production as the basis from which social relationships emerge leads even radical monetary reform to only reformist and even utopian (non-)results. Marx does express sympathy for labor-time-based currency similar to the ones he sees Proudhon as proposing but argues that this could only be effective in a context of "direct social labour." Harvey writes that…

> [w]hat [Marx] meant by this is unknown. But here is my interpretation. If a group of associated laborers got together to organize not only production but social life,

> they might do so on the basis of time-chits that reflected hours of labor. In a time-share organization I might put in four hours of child-minding that I could exchange for four hours of yoga instruction that could be exchanged against four hours working on fixing the plumbing or building an extension to a dwelling. A centralized ledger of hours exchanged could be maintained (by a bank?) in which both offers and wants could be roughly coordinated in terms of work hours among the participants. There are all sorts of examples of communes and living arrangements where something of this sort (including the socialist kibbutzim in early Israel). This successfully works for a while. But everything depends on the social solidarity of the participants. As soon as social solidarity breaks down and trust evaporates among the participants, then the system collapses. Workable systems face enormous challenges when they attempt to scale up to the national, let alone the global level.

This makes an excellent point: It is necessary to create different organizations of production in order for changes in the mode of exchange to be sustainable. Monetary regimes change often (on a historical scale) without generating fundamental shifts in social relations, whereas when a society reorganizes production, *everything changes*. Consider for example the extreme difference in results between, to use Marx's example, even the highly successful Scottish free banking period and, say, the factory and farm reclamations by radical unions in Revolutionary Catalonia.

But even when giving credit where credit is due, Marx (and Marx via Harvey) is off base on several points. For one, if "[w]orkable [non-capitalist monetary] systems face enormous challenges when they attempt to scale up to the national, let alone the global level" then *don't scale them up*. Do as Margaret

taneously depending on which is best suited to the needs of the producers at hand—a situation best forwarded via a free banking system. But in general, they can help, to use Marxian terminology, shift circuits of exchange. In an Interview with Neal Rockwell titled *Capitalism is Just a Really Bad Way of Organizing Communism*, David Graeber identifies French historian Fernand Braudel as arguing that "markets, he says… well, he takes this Marxist idea of the difference between CMC and MCM, which means" commodity-money-commodity and money-commodity-money. So…

> markets, he says, are commodity-money-commodity. That's the basic logic: I've got some chickens, I'm a farmer, I need candles. I don't have any bees; I can't produce my own wax. I'm going to trade some of my chickens, get some money and buy some candles. So that's ultimately what it's about. It's about different people with various goods that they need and various goods that they need to get, and money is just a medium.

Warren's (and supposedly Proudhon's) time-based currencies would entail almost direct exchange of labor, whereas Silvio Gesell argued for a local currency called Freigeld without interest rates and with an artificial carrying cost (or "oxidation" as Harvey terms it) so as to penalize hoarding to promote its use as a means of exchange instead of a means of accumulation. Even as these have fallen out of favor, LETS and mutual banking hold up as tools to either more-or-less directly exchange labor or cause prices to fall to the cost of production organically. Then, emphasizing the importance of also reorganizing production, even the nominal 'profits' made via exchange are absorbed back into, as Marxian economist Richard Wolff calls them, "Worker Self-Directed Enterprises."

Alternative currencies unauthorized by and largely illegible to the state such as these also point toward the importance of not just question of socialist money seriously enough." For a good example of this kind of oversight, let's return to revolutionary Catalonia: According to Burnett Bolloten in *The Spanish Civil War: Revolution and Counterrevolution*, one of the significant economic issues faced in that era was that though many industries (means of production) were taken over by the syndicalist Confederación Nacional del Trabajo (CNT) and Federación Anarquista Ibérica (FAI), most "banks and other credit institutions" were seized by the Unión General de Trabajadores (UGT) bank employees' union and—because of the latter's association with the Marxist-Leninists who were not only attempting to grow state power but whose ranks were infected with Stalinist agents—they were essentially boycotted by the former in favor of direct cash transactions, barter, and free consumption. This led to a situation where "the profitable concerns amassed huge sums of money on their premises. This hoarding created a serious currency shortage and restricted the basis of credit, which otherwise could have been used to finance the less successful enterprises." The February 1937 CNT Congress "proposed that the organization create its own bank, but nothing came of the project." A great deal of the issues—whether it was not unionizing bank workers or setting up banks for themselves—can be traced back to *guess what?* According to Bolloten: "[T]heir contempt for money."

It's this gap that, yes in some contexts, "time-chits," but many other monetary experiments like the aforementioned radicalizing of credit unions, Local Exchange Trading Systems (LETS), mutual credit clearing systems, (in spaces with less established trust) cryptocurrencies, and especially mutual banking can help fill. This plurality is important especially because Marx notes in the "Chapter on Money" that "[v]arious forms of money may correspond better to social production in various stages; one form may remedy evils against which another is powerless." But while Marx appears to confine this to a one-to-one correspondence in these different totalities in historical development, the reality is that many different forms of currency could be used in different contexts simul-

Wheatley and Deborah Frieze advocate in *Walk Out Walk On*, and *scale across*: networking *between* communities on their own terms as all good trade systems work. Secondly, though the point that "everything depends on the social solidarity of the participants" and "[a]s soon as social solidarity breaks down and trust evaporates among the participants, then the system collapses" holds true for non-state currencies, the same sort of collective action problem could just as easily be leveled (and has been by Frank Miroslav in "Why Collective Action Problems Are Not a Capitalist Plot") at the Marxists' reorganization of production via proletarian revolt. However, the most egregious issue at hand is the fact that Marx focuses on (and Harvey repeats) time-based currencies. Though Josiah Warren, James Guillaume, possibly at times Proudhon, and other anarchists such as myself have all argued that time-based currencies (or timebanking as it is called today) are viable means of mediating at least some types of labor in particular contexts, Proudhon scholar Iain McKay argues that "Marx seriously misrepresented many of Proudhon's ideas[,] . . . namely that Proudhon's 'constituted value' equals 'labour-notes'" In fact, "[r]ather than a system of labour-time pricing, Proudhon's 'constitution of value' is simply the recognition that because all goods are 'a representative of labour' this meant that they 'can be exchanged for some other'." Proudhon, McKay continues…

> noted that in chapter two he had 'demonstrated how, if the value of all products were once determined and rendered highly exchangeable' then all goods would become 'acceptable, in a word, like money, in all payments'. Therefore what 'we had to repress in the precious metals is not the use, but the privilege' and so the 'means of destroying this formidable force [of gold and silver] does not lie in the destruction of the medium' but 'in generalising its principle' by ensuring that 'all the products of labour had the same exchange value

as money' as money was 'the only value that bears the stamp of society, the only merchandise standard that is current in commerce'. This would lead to 'the socialisation of all values, in the continuous creation of new monetary figures'. A bank-note would be 'the equivalent to the holder having actual possession of the sum paid' and 'the price stipulated and accepted for sold goods can become currency in the form of a bill of exchange.'

This is the basis of mutual banking and it is not the same thing as time-based currencies. Like the later individualist anarchists in North America like Tucker and Labadie, Proudhon did not argue that labor time should be enforced as the standard of value, but rather that in a market system with open competition and no monopoly of money by the state, prices would fall toward the cost of production and various forms of currency would become simply mediums by which labor and goods made by labor could be exchanged. To this point, Kevin Carson outlined to me in an email exchange that…

> Marx's objection to monetary schemes as a weapon against capitalism results from his labor theory of monetary value. In this, he shares an assumption with Austrians and other goldbugs: that money is a commodity, or derives its value from being "backed" by something. For me the key point at issue is whether money requires such backing, or if it can function solely as a denominator of value that measures and coordinates the values of things being exchanged. . . . The actual machines and raw materials are simply production flows being created by other groups of workers; if the workers in a productive unit could use credit to deal directly with the other groups of workers producing the machines, without having to have savings or stockpiled wealth, that would destroy the very idea of absentee "investment" and the basis for capitalist property claims in the means of production.[1]

For Carson then, much like for Proudhon, currency is not necessarily confined to its use as a commodity in the accumulation of capital but is rather also a potential means by which producers can negotiate among themselves with only backing necessary being actual goods and services; sidestepping many of the critiques of commodity money found in the *Grundrisse*'s "Chapter on Money."[2]

Marx and Marxists like Harvey are correct in pointing out that changes in means of exchange are not the sole key to reorganizing production, and that it is necessary for radicalized workers to take action to reorganize production (though *on their own terms*; not by any blood-stained, authoritarian vanguard). At the same time though, orthodox Marxists are, as Kojin Karatani argues in his book *Transcritique*, wrong to write off the possibility of currency as an important means to re-organize economic life as a whole. Harvey also forwards this sentiment, arguing that "Marx fails . . . to consider the degree to which revolutionary transformations in labor practices might necessitate radical reorganizations in the monetary and financial system if they are to succeed. He does not take the

[1] Check out Carson's review of *A Companion to Marx's Grundrisse*.

[2] With the exception perhaps of Marx's point (again via Harvey) that "[t]he use and proliferation of local banknotes is not limited by the metallic base. The private discounting of bills by merchants is an entirely different operation and is not limited by the gold reserves. Whether or not I extend credit to accommodate the needs of my customers does not depend upon the gold reserves of the banks." This is true, in that it is not the banks' reserves but rather the banking monopoly—a political influence—as outlined by Benjamin Tucker that restricts the proliferation of anything more than "complementary currencies" and limited interpersonal credit extensions. This is in addition to the place of state-capitalist money in cultural hegemony.