Episode 1,074: Libertarians Have a Class Theory, Too (and It's Better Than Marx's)

Guest: Gary Chartier

WOODS: It's been a long time. You've got this very interesting book that you coedited with several other people called *Social Class and State Power*. I just gave everybody the whole title. Very interesting, and I like this a lot because I think a lot of folks, maybe even especially libertarians, have been under the impression that social class is something that only certain kinds of people talk about, or this is a Marxist idea, that there is no such thing as antagonistic classes. But in fact, there are antagonistic classes. The question simply is correctly identifying who they are, the who/whom, who is doing the exploiting and who is being exploited. That is the error — the error that we would say Marxists have made is not in thinking that there are classes and exploiters and exploited, but simply in incorrectly identifying the perpetrators. Have I got it?

CHARTIER: I think that's right, Tom. I think that there turns out to be a lot of overlap between the villains in some Marxist and some classical liberal and libertarian stories, but the key underlying difference I think is that the Marxist story would have it that the driver of class power and class differentiation is access to the means of production, which Marxists then might well view as just a matter of the ordinary operation of the market. This long tradition of classical liberal and libertarian class scholarship that we explore in this collection instead says, look, fundamentally this is about the relationship between difference social groups and the state, that state power is what's constitutive of dominant class position.

WOODS: Right. So there's been some good work summarizing this tradition by people like Ralph Raico and Leonard Liggio years and years ago in *The Journal of Libertarian Studies*, for example, and that really is the sum total of my knowledge on this. I read what they had to say and I thought that sounds right to me. But your collection is just filled with great excerpts and selections from people libertarians really ought to know one way or another. I mean, they certainly ought to know Richard Overton, for example, with the levellers and Adam Smith, obviously, Thomas Paine, Jeremy Bentham, William Leggett, the great American. James Mill is in here, Frederic Bastia, a lot of people libertarians will be familiar with — Gustave de Molinari — but other names they would be less familiar with, but names that maybe some people have felt like I've got to get to at one point or another. Well, this is a great context in which to read these different people, going all the way up to the present day. Mises is in here. It's a tremendous collection.

So normally what I do in a discussion like this is I pick out a few of my favorites and then we discuss them. But Gary, you are an — I don't want to say "an elder statesman" because you're not that old, but you're an accomplished scholar and I'm going to defer to you in this case for

you to pick out some of your favorites. So let's talk about one of these selections you're particularly fond of.

CHARTIER: Sure. So let me just say, first of all, by way of leading into this what a tremendous gift to the modern libertarian movement the years of historical scholarship David Hart has done, really should be seen as being. When Roderick Long and Ross Kenyon and I originally envisioned this project, we'd started out by thinking primarily about some great contemporary essays that ought to be included by people like Murray Rothbard and indeed by Roderick himself, Albert Jay Nock.

But when we started talking with David, it really hit home how much it would make sense to include David here. We knew that he had done of course so much work on the history of French classical liberal thought, particularly with a focus on class theory. And frankly, it struck me as almost embarrassing that we hadn't included him, and I'm so glad that we ultimately brought David on board, because he's enriched this collection tremendously with some of these earlier sources that his own historical expertise really enabled him to talk about in a very smart and thoughtful way.

So we go back all the way to the 17th century through to the present, and I think there's so many of these that we could dive into and really learn something from. So one person I think it would be worth just dropping into for a little bit is Herbert Spencer. Whether Spencer is my favorite contributor or not may be another question, but I think that Spencer consistently gets a bad rap on the part of people who don't know his work well.

WOODS: Right, and Roderick has been a great defender of Spencer along these lines over the years.

CHARTIER: Yes, absolutely. Spencer of course has been tarred with the "social Darwinist" brush, as if he was a guy who fundamentally thought that the socially and economically vulnerable should just be left to wither and die. And people miss the fact that Spencer was actually somebody who really saw the problems with the political connections and the abuse that resulted from these connections on the part of those who were well connected and plugged into the political status quo. And so that's one place I'd want to start out, just to highlight the fact that here's somebody who was often seen as somehow an apologist for the winners, let's say, in the current state-rigged game, when in fact I think he was much more sensitive to the problems there.

And so I hope that not just with Spencer, but with a number of the other people in this collection, readers who aren't necessarily very familiar with him will find some really interesting surprises and really discover that, hey, there really are people out there I either didn't know about at all or thought I knew something about but didn't realize they were sensitive to this issue of the alliance between the state and its cronies in the way that we've tried to document here.

WOODS: What can we say about the great Lysander Spooner in this regard?

CHARTIER: Boy, I think we can say that Lysander Spooner was an absolutely awesome figure. Obviously some of us today might butt heads with Spooner over this or that position. Certainly his views about intellectual property wouldn't be everybody's in today's libertarian movement,

but I think Spooner was tremendously sensitive to issues related to the abuse of power. And he's somebody who enthusiastically believes in robust property rights. He's somebody who enthusiastically opposes majoritarianism.

And if you just note those things to some of our contemporaries, they might immediately develop a whole elaborate picture of Spencer that I think would just be wrong. The fact is Spencer was a guy for whom these commitments were commitments that grounded a passionate desire to see the well-being of people who'd been marginalized in his society. Acknowledge this of course is reflected in his commitment to abolitionism, a very vigorous commitment to abolitionism, but also in his attitudes regarding things like debt and so forth.

Spooner was a guy who was an absolutely radical libertarian and for whom there was no conflict at all between that radicalism and sticking up for those on the margins of society. I love Spooner and I'm glad he's here.

WOODS: Now, we all know there's a controversial figure in this volume, and I'm going to mention his name. Why not?

CHARTIER: Sure.

WOODS: What fun would it be if I didn't mention his name? And of course I mean Walter Grinder. I'm only kidding.

CHARTIER: [laughing]

WOODS: [laughing] I think I met Walter Grinder once or twice. But anyway, Hans Hoppe. Now, we don't have to get into — I've done episodes on Hans Hoppe. But that essay of his from 1990 that you've got in there is a really great one called "Marxist and Austrian Class Analysis," and I actually did a whole episode where I talked — I think the episode was called "Was Marx Right About Anything?" And Hans makes this provocative claim at the beginning of this article, now chapter, that he's going to state the fundamental propositions of Marxism and assert that, in their fundamentals, they are correct if applied to the right parties, that there is exploitation, there is a tendency toward centralization, but not centralization in the means of production, but centralization of political power. So when you apply the categories correctly, you do find that, rather in spite of himself, Marx hit on at least the basic outline kind of of the way we look at society. I can't — I know I'm going to be quoted on that and that's going to come out badly.

CHARTIER: Yeah, so I think you're right. Hans is a controversial figure and not I think the only one in this collection. We do talk about the inclusion of John C. Calhoun, as well. I think that we want to be aware that this conversation about class in libertarian circles has included people from a variety of perspectives. And I think we want to be able to learn from them and offer readers the opportunity to discover the breadth of perspectives on this topic.

And you know, certainly there's no particular secret about the fact that some of us who've been involved in this project have in one way or another butted heads with Hans over particular issues. That doesn't change the fact that we think that this is a provocative essay that really merits inclusion here, and you know, I'm very happy for readers to puzzle over and be stimulated by the thought that an enthusiastic proponent of Austrian economics like Hans

can examine the work of Marx and say here's something perhaps surprisingly that really can be very valuable that we can take away from here.

WOODS: What I really love about this collection is it includes figures from significant periods of history, periods that libertarians ought to be more familiar with. I mentioned the levellers because you have Richard Overton from 1641. The levellers were not levellers in the communist sense, of course. They were I think proto-libertarians.

CHARTIER: Yes.

WOODS: They had pretty good rights theory. So people are getting a chance to get to know them up close and in the primary source. But also, William Leggett was one of the Jacksonian Locofocos of the 1830s who was a very interesting figure. He wanted to separate everything and state. Both also Richard Cobden, who you just need to know as one of the great libertarians in Britain, fought against the Corn Laws, believed more or less in nonintervention. He has an essay in here called "England is a Perfect Paradise for the Aristocracy." Well, not too hard to figure out where he's going on there. Frederic Bastiat — so I mean, all these major people from periods where libertarian thought was really beginning to blossom and build and be shaped. You're watching libertarianism as it's really coming into the form that we're familiar with.

Now, you mentioned John C. Calhoun, so let's say a bit about him after we thank our sponsor.

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All right, so let's talk about John C. Calhoun. Rothbard, even during his most radical periods, was fond of Calhoun simply for his insight about net taxpayers and net tax eaters and perceiving that as being the locus of conflict in society.

CHARTIER: Yeah, and so that's been I think a schema that a number of classical liberal and libertarian critics of cronyism and state power have drawn on. And so, you know, obviously a libertarianism that is deeply committed to self-ownership isn't going to be sanguine about Calhoun's support for slavery, but I think what we need to recognize is that it's possible to learn from Calhoun's analysis here without somehow endorsing the whole of his political program. I often think that there are people who conduct political arguments not so much on the basis of rational considerations, but on the basis of guilt by association and worries about ideological purity and so forth.

And you know, my view is all kinds of things we can criticize about certainly Calhoun's views, but also the views of I'm sure a number of other people in the collection. That doesn't mean that we don't have something to learn from them, and so we include Calhoun here not somehow papering over that other side of his political agenda, but just recognizing that there really was something provocative and instructive about that proposal that he offered.

WOODS: Now, if I'm remembering this correctly — it's been a little while since I read Rothbard's *The Anatomy of the State*, but it's either there or somewhere else that Rothbard makes the point, which is quite of course germane to your collection, that we are led sometimes by the state itself to think of ourselves as being locked in the struggle with one another, that it's the farmers against the industrialists or the young against the old or racial

groups against each other or geographical regions against each other or industries against each other — whatever it is.

And Rothbard is careful to correct people and say, first of all, of course the state would love it for you to think that that's what the issue is, because then it can go about its nefarious business without really being perceived. The real struggle is between the people administering the state and everybody else. That is the real class conflict. And that to the extent that we find ourselves in conflict with other groups, nearly always we find the hand of the state somewhere behind that really stoking that conflict.

CHARTIER: You know, I think one of the great insights of classical liberal thinkers, notably Bastiat, is the idea that ultimately a well-ordered society is one in which there's a consistent harmony of interests. Now, obviously we have to be aware that in any social environment, social institutions aren't going to function perfectly and there may well be different conflicts of one kind or another that emerge between different groups. But the idea is that if the rules are structured well, people are in multiple, overlapping, mutually reinforcing ways contributing to each other's welfare, nourishing and supporting each other through thematic and extended social cooperation and so forth.

And so yeah, when we find that instead there seems to be a deep-seeded conflict, we know that that's not a consequence of the way the rules could be expected to structure things in a well-ordered society, a well-functioning market, and protections for individual rights and so forth. And so that prompts us I think to look necessarily at what's going on that might be misshaping the environment in one way or another, and it's no surprise when we find that misshaping happening at the hands of the state.

WOODS: Am I putting you on the spot if I ask you to tell us or summarize for us what Roderick himself — Roderick Long, who's a professor of philosophy at Auburn — has to say in his chapter on a libertarian theory of class?

CHARTIER: Well, it's a long chapter. It is in fact, yeah, considerably longer than anything else in the volume, and that's after some of the editing we had to do to make it fit within our word limit. So I can't profess to cover all the bases that Roderick offers, but he's really just trying I think to taxonomize kind of the options. One thing that Roderick highlights that I think is really helpful is the way in which it can be easy for those on different sides of debates about the relationship between class and the state to overplay one element, let's say, in that relationship.

So Roderick offers this great analogy, and you're a historian and you may want in one way or another to push back about the aptness of the analogy, but his analogy in trying to understand the relationship between political elites and their cronies in the economic sector, in the economic sphere is to talk about the relationship between church and state in medieval Europe. And he suggests that, while we might think of these groups as, in different ways, jockeying for power in that period, each wanting in different ways to be socially dominant, nonetheless, while one might like to be on top of the other — you know, the king or the Holy Roman Emperor might have that stance vis-a-vis the pope — at the same time, what turns out the be the case is that they understand each other to be allied against the general public.

And that's really the kind of move that Roderick wants to make. That's what I think he's building up to in this piece, that those, for instance, on the social anarchist side or the

Marxist side of class analysis might sometimes say, no, this is really just about the dominance of big business or the corporate elite or the wealthy, and by contrast, there might be other folks who would say no, really, there's just a story to tell here about those in the political class. And Roderick wants to suggest no, look, there really is this symbiotic relationship between folks at the top of the political pyramid on the one hand and, on the other hand, their cronies in the economic sphere on the other. And even though clearly we can find instances of these different groups jockeying for power in relation to each other, when it comes to conflict with the public that's being dunned by both groups, then they turn out to be allies.

WOODS: Benjamin Tucker belongs to what has sometimes been called the 19th century individualist anarchist tradition, and I see him in this volume, so I'd like you to talk a little bit about him. As I think about it, I'm not altogether sure, except maybe in an episode we did on anarchism, that I've really talked about him on the show before.

CHARTIER: Yeah, I think he's somebody who really ought to be better known among contemporary libertarians. The reality is that Tucker was the organizational and literary center, it seems to me, of this group of post-Civil War individualist anarchists in the United States. And indeed, Tucker's work really I think continued to be very much acknowledged and appreciated certainly by Rothbard, the people around Rothbard as they began to revive awareness of the earlier history of libertarian conversations and debates in the United States. You know, Tucker was not, as most of the other individualist anarchists were not, precisely on the same page as some later American libertarians, certainly in the Rothbardian tradition, I think he was tremendously influential on later libertarian thinkers and certainly with somebody of whom Rothbard in particular was very much aware.

Tucker started out as a natural rights theorist. At the end of his writing career, he professed to embrace the egoistic view of Max Stirner. Didn't really seem to make a tremendous difference in the substantive positions that he took about various issues. But in any event, Tucker really pulled together a group of people who were committed to challenging state power and certainly to challenging cronyism in the economy. He also pulled together I think a cluster of ideas from a variety of people. He was a great fan and popularizer of Spooner's work. Spooner certainly I think found in this group around Tucker an environment that really was conducive to his need to share the insights that he had developed. And so Tucker really was a very insightful commentator I think on the social and political and economic scene.

And the essay that we've included here is a portion of his very provocative and indeed I think too-little-read essay, "State, Socialism, and Anarchism." This is an era in which socialism is a term that means a lot of different things, and certainly not a kind of decisive understanding of socialism in this period as either state ownership of the means of production or communal ownership of anything. It seems to be more vaguely concerned with addressing what folks of this period might have called the social question, the relationship between labor and capital and other things.

And so he writes this essay, "State, Socialism, and Anarchism," contrasting the two. He thinks that the statists as represented by Marx are on to something important, but where they're deeply mistaken he believes is in supposing that what's needed even over the short term is an increase in state power. He's certainly skeptical, along with other 19th century anarchists who thought that there was something deeply troubling about Marx's idea that what we really

need was an increased robust state apparatus that was going to solve all the problems of society and then would magically wither away. Tucker had no time for that.

Instead, he believed that if we wanted to understand a variety of problems current in society as he observed them, we should notice the ways in which the state intervened on behalf of privileged economic actors. And so he talked, therefore, in this essay about what he called the four monopolies over the production of money, over rules regarding land, tariffs, and patents. All of these reflected he thought state interventions that benefit the state's cronies at the expense of everybody else.

And in systematizing these, he really provided I think an interesting focus for later conversation. Charles Johnson, in the collection that he and I coedited, *Markets Not Capitalism*, tries to expand Tucker's list of monopolies by another five or so and the economy is much more complex than it was in Tucker's day. But Tucker really I think set a pattern here of looking at distortions due to monopoly-creating state intervention and noting the potentially destructive consequences of those. So I think it's a clear and crisp treatment of that topic.

WOODS: You've got in here Franz Oppenheimer, which is a name a lot of libertarians stumble upon. He influenced Albert Jay Nock, I believe.

CHARTIER: Yes.

WOODS: But we wouldn't necessarily place him within the libertarian tradition, I don't think, but he does make that helpful distinction in his work on the state I think between the political and the economic means of acquiring wealth. It's been a long time for me on this one.

CHARTIER: You're absolutely right. That is a distinction that he makes. And it's very simple and very straightforward. It's parallel I think probably to the distinction we find, for instance, in Spencer between militant and industrial types of society. The question is ultimately, if you want to acquire wealth in a society, do you do it by force or do you do it by meeting other people's needs? Do you do it by participating in cooperation, or do you do it by impeding cooperation?

And so by distinguishing these economic and political means of getting wealth, Oppenheimer really calls attention to the way in which the state can be seen as an agency of plunder, and indeed, I think Oppenheimer's account of state formation has sometimes been called the plunder theory of state formation. So I think I'm properly referencing in here, what the Marxist historian Eric Hobsbawm would have called stationary bandits, the idea that folks who prey on others settle down. Instead of wandering off to pillage elsewhere, they find a stable environment that they can, as it were, poach on intermittently and then create the illusion of legitimacy over time for themselves.

WOODS: Okay, so am I remembering this right then, that one of the key things he's doing is taking the idea of the state and taking away the fairytale version of the story —

CHARTIER: Yes.

WOODS: — about people got together and decided it would be best for everybody if we did such and such, and says, okay, you can have that theory, but in practice it turns out to work this way.

CHARTIER: Right. And not only does it turn out to work this way, but I think he really does have a historical story, and we can obviously talk about whether ultimately the historical story's right, but you're absolutely right that the way the state operates is based on plunder, and that's very much what he wants to highlight, that there's a rapacity and violence about the state that really involves funneling resources to those who specialize, if you will, in the political means of acquiring wealth to the detriment of the rest of us.

WOODS: And then finally, let's talk about Roy Childs, who was a major figure. I think some of the youngsters may not be as familiar with Roy Childs, but he also has a contribution in this volume.

CHARTIER: That's absolutely right. Roy was an editor and writer with exceptional gifts who was very much a friend and collaborator of so many people in the developing libertarian movement from the '60s through the '90s. Perhaps really became famous for his letter to Ayn Rand arguing that Rand's defense of the legitimacy of, in her view, a pretty minimal state ultimately was inconsistent. And of course this got him famously kicked off the mailing list from *The Ayn Rand Letter*.

But Roy was very interested not just in theoretical analysis, but in looking carefully at historical dynamics. And he was one of the people who really tried to make sure that libertarians were aware of the work of a set of New Left historians, of whom the best known is Gabriel Kolko, but some others — James Weinstein, for instance, who really have tried to tell a perhaps surprising story about 19th century and early 20th century developments in American economic history.

So Childs highlights the fact that — Kolko highlights the fact and Childs brings this libertarians' attention and really tries to synthesize that, while we have this sort of familiar civics class or high school history class story in which libertarians are seen as irrelevant or even dangerous because laissez faire was unable to stem the growth of rapacious robber barons, in fact, while the conventional story would have it that Progressive Era reforms saved us all from these monsters, what turns out to be the case very frequently, as Kolko notes in books like *Railroads and Regulation* and *The Triumph of Conservatism*, that in fact, regulations tended to be pursued precisely by big business entities that didn't want to deal with competitive pressure from upstarts who might actually be serving consumers more efficiently but were cutting into their profit margins.

And so Childs' essay, "Big Business and the Rise of American Statism," really tries to synthesize the work of these historians like Kolko and Weinstein and help libertarians see how their analyses can illuminate a past that is often narrated in a way that is seen as a problem for believers in market freedom, but in fact turns out to be really supportive of their views. And you know, Kolko, who just unfortunately died I think in the last couple of years, was not ever very enthusiastic about the fact that libertarians loved his work, but the fact is it was very provocative and very helpful work.

Something we didn't include here — we frankly ran out of space and had to cut a lot of things that would have been nice to add to the book. But you know, one person who really

continued Childs' work was the great libertarian legal scholar Butler Schaffer, who in a book called *In Restraint of Trade*, basically picked up the story where Kolko left off and moved ahead for the next 20-some years, 23 years, something like that, noting how during World War I and then during the New Deal era, this same phenomenon occurred. And so Childs I think really created a pattern of libertarian analysis that certainly others have taken full advantage of.

So I think if you want to understand not just what was going on in 19th century America and how that led to where things are now, but also if you want to understand how libertarian thinking about this developed, you can I think get a very interesting picture of that by reading this cluster of essays of which Roy's is one. You not only learn what he's talking about, but you begin to see the trajectory of the development of libertarian thought about this important set of questions.

And I should note, you know, we had the crack earlier about the great Walter Grinder. Walter really inspired so much thinking in this area and really cared a lot about it, and I think there's actually — I don't want to promise anything on anyone's behalf, but I've been communicating with Walter's coauthor John Hegel, actually, about seeing the possibility of publishing the still-unpublished book of which their chapter in this collection was intended just to be one piece. So there was a great deal of work that Walter and John did about libertarian class theory that I think still needs to see the light of day. So I'm just glad to be part of a project that helps to make all that happen.

WOODS: Well, in the meantime, we have this very, very interesting and helpful volume that you have coedited, *Social Class and State Power: Exploring an Alternative Radical Tradition*. I will link to that book. Of course you can get it on Amazon. I'm linking to it on the show notes page. This being Episode 1,074, it'll be at TomWoods.com/1074. And if people want to follow you a bit more closely, Gary, what's the easiest way for them to do that?

CHARTIER: Well, they can find me on Facebook. They can also follow me on Twitter @TheGaryChartier. And I'm easy enough to find online, and I'm happy for people to email me and to check in if there are questions they have or conversations they want to be part of. I think these are exciting ideas and it's great to be able to help share them.

WOODS: Well, wonderful to talk to you again, Gary, and thanks so much for your time and for this book.

CHARTIER: A pleasure to be here, Tom.