

THE HISTORY OF MUTUALISM:
Equitable Commerce;
or,
Association without Combination.

BY MARIA & THOMAS VARNEY

&

Equitable Villages
in America.

BY WILLIAM PARE, ESQ.

with a response by
RICHARD HUSSEY WALSH

DOCUMENTS FROM THE
HISTORY OF MUTUALISM:

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Having had the experience for the last two and a half years, in a community of common property, which has been a school of observation to me, and which was entered into at first as an experiment, I propose to give the result of this experiment, at least upon my own mind. The final result may be given in a few words—the idea of combination in any form is fully exploded;—and I think I now see clearly the rock on which all combinations of interest must split.

Amid the universal confusion—the breaking up of old philosophies and systems—the uncertainty of the thousand new theories—the constant revolutions and general chaos—I have no wish to establish a set of opinions,—saying to myself, “thus far shalt thou go, and no farther;” but would always be open to reason and conviction, being responsible neither for the sentiments of yesterday nor to-morrow—neither abiding by way-marks for the future, nor squaring present thoughts to yesterday’s constitution. In an article published in the first number of the *Communitist*, I said,—“We bind ourselves to no new set of opinions; what are our sentiments to-day, may not be our sentiments to-morrow.” I find myself to-day embracing the same feeling, although some of my opinions are very much changed. Amid this universe of change, I covet not that individual’s lot who boasts that he changes not. If such boasting be true, it is a most certain evidence, either of invincible stupidity, or hopeless bigotry. There are very few things indeed which we really know to be true. The principle of philosophical necessity comes as near certainty in our minds, as, perhaps, any one of the abstract theories now preached.

I have believed, most thoroughly and ardently, that a union of interests was to be the grand panacea for all the woes of civilization. I now think the opposite of this: to wit, entire isolation will bring about the desired result. Every since commencing the community life, there have been a thousand inconveniences and jarring, which a determination that the experiment should succeed caused me to overlook, or to attribute to other causes than a defect in the principle: such, for instance, as the infancy and inexperience of the institutions; its great poverty, or bad management. Such things seemed to account for the difficulties for the time being, all of which evils I looked to time to remove. But, alas! for

hopes and anticipations, and exertions expended upon a combination of interests! They are in vain, except as experiments to prove themselves false in principle. And here I will attempt to give a sort of synopsis of the defects in the principle of combination.

Laboring men find themselves constantly more and more oppressed. They have toiled century after century, with the iron of oppression drinking still deeper and deeper in to their heart's core, without knowing the cause of their sufferings. Every labor-saving machine that makes its appearance in society, inflicts a new wound upon their already lacerated spirits. They look around, and on every side behold their equal brother living in splendor and idleness. They are the producers, and their idle neighbors the consumers. They groan in spirit, but see no remedy. Every vessel from the heaving ocean, and every steam car that comes puffing through the land, are but signs to them that their ears are to be stunned with the report of the invention of some new labor-saving machine, which is to shorten their scanty pittance, lengthen out their hours of dreary toil, or throw them out of the means of living altogether. Looking upon society with its poverty and abundance, and with its inequalities of every kind—with its antagonisms, its cannibal or clashing interests, and a constant tendency to a worse condition—they concluded that isolated interests must necessarily clash,—and that there could be no way to make those interests cooperate without combining them. They therefore threw all together in one pile, hoping thereby to obtain relief from their miseries and wrongs. This they have attempted in several instances, in all of which they have failed, or will fail. I am aware that a thousand excuses for these failures may be urged: such, for instance, as poverty and bad management; and Heaven knows that in some instances these two were sufficient in themselves. But there lies an evil back of these, that works the same in all: it is a defect in the principle. We will just examine the workings of them; for they all have the same difficulties, as nearly as I have been informed.

These communities are generally made up of the honest laboring poor, and the devoted philanthropist. Hence, therefore, they have the very best material in society. They come together with enthusiasm, believing they have finally discovered the remedy for all the woes that affect the human family; that which is to restore their inalienable rights, a perfect equality, not only of possession, but of all that goes to make up life. For a while, this enthusiasm to accomplish the object makes every one yielding, and ready to submit to any inconvenience. The object to be attained is so absorbing in its nature that no sacrifice seems too great for its accomplishment. They can endure any fatigue, can labor under the scorching rays of a July sun, or in the Iceland breezes of a stout north-wester. From the refined circles of warm-hearted friends, they are willing to go into the rough-and-tumble of a pioneer life, amid all sorts of people, with all sorts of habits, and under all sorts of circumstances. Indeed, while their faith lasts in the enterprise, it may be said of them as of the Indians,—“they shrink from no danger, and they fear no hardship.” From wishing and determining that they

will succeed, they are made to believe that they certainly shall succeed. Sometimes, even in their very worst state, their extreme desire to succeed throws a veil over the real facts in the case, and they blindly suppose they are sailing along nicely, under auspicious skies. This is just as likely to be the case on the very eve of dissolution as at any other time.

They come together with their hundred different organizations, educations, and interests; they have been in the habit of managing each their own interest separately. Now that it is combined it still must be managed. What is to be done? They have come together with the idea of the largest liberty. Their natural feelings of independence are aroused—they have no idea of being ground! each man must have his say, for all are equal, and equally interested. Of course, they must be democratic in their business. To this end, when any kind of business is to be transacted, all must be called together to talk the matter over; which generally ends, either with talk, or with adopting some one's proposition, by which every other man was obliged to yield his opinion of what was best. In this way they jog along, every thing being every one's business and no one's care. After awhile they find this won't do; they must have some system, for they find that combined interests must have some system, for they find that combined interests want managing as much as isolated interests. Well, they get up system after system, and constitution after constitution; but all amounts to nothing. After a long experience in this way, legislating, legislating! LEGISLATING!!—squandering property, alienating friends, and souring their own tempers,—after warring and struggling along in this way, trying by all that lies in their power to preserve their independence, they begin to see that it will not go; they must yield up their liberty, or go to destruction at once. They yield;—they select one man to govern ALL the interests, physical and mental, of some hundreds of different organizations. Of course, there must be two parties; the majority rules, and the man is selected for the office while a large minority think him unfit; perhaps they think he lacks skill in business; perhaps they doubt his honesty; or whatever be his faults, they are dissatisfied, and deeply so, for it is ALL of their interests that is committed to his charge. He knows their minds by their votes, and, consequently, a repulsive atmosphere is created, suspicion is busy in imagining faults, until those who, a few days before, were moral heroes, become selfish and cowardly persons, and this repulsion continues until the atmosphere becomes unbearable, and the disaffected party leaves, or they spread their disaffection in the ranks until they become the majority:—then the head man must be changed, and the other party becomes disaffected, and leave, perhaps one by one, until there are not enough left to sing the funeral requiem. Still, so intent are they on carrying out their object, and so sure are they that they are on the right road to felicity, that amid all these, and thousand other difficulties, they never once suspect that they arise from any defect in principle. Having the advantage of association, their social nature is gratified, and they therefore conclude that the whole matter must be right,—not once thinking it possible to obtain these social advantages by other means. Some who are thus associated

have been unfortunate in business, either through a lack of worldly tact, or from excessive benevolence: these hate the very name of business; the idea of trade is horrible to them. But they find themselves still in a wrong position. What is the matter? I cannot better answer this question than by introducing a plan of society proposed by Mr. JOSIAH WARREN, of New Harmony, Indiana. I shall not expect to do this subject justice, both on account of its complexity and my want of thorough acquaintance with it. I very much fear to speak of it at all in the brief manner I shall be compelled to do, lest some will get a very indefinite idea of it, and therefore misunderstand the whole subject.

MARIA L. VARNEY.

II.

Mr. Warren proposes just the opposite of combination, to wit: a perfect isolation of interests, which shall still cooperate. His first proposition is:—

COMPLETE INDIVIDUALITY OF ALL INTERESTS AND RESPONSIBILITIES.—Nothing can be more clear than that, as we all have different organizations and educations, we must have different likes and dislikes—one will necessarily be pleased with that which displeases another. And if their interests are combined, and managed by one individual, the rest must all the while be yielding their judgment, their taste; and this is unnatural. One is made happy by the very means which makes another unhappy. This is a necessary consequence of combination. Yet we are social beings, and like to live in a social capacity. Now what does our nature demand? Just this:—Association without Combination; or in other words, Isolated, Cooperating interests. Every one naturally feels that what he produces, being the expenditure of his own vital stamina, a part of himself, belongs to him, and to no one else. We feel that we belong to ourselves, individually—that we have an equal right in the natural wealth of the earth;—and hence, when our vital energy is expended in bringing some of this natural wealth into form, it is still our own. His second proposition is:—

THE PRESERVATION, AT ALL TIMES, OF INDIVIDUAL SOVEREIGNTY.—This proposition is, in reality, included in the first, that of “strict individuality of all interests and responsibilities.” Civilized man has been governed to death; and as he progresses, and comes to a better understanding of his own nature, the tendency is directly and invariably, to throw off the restraints of government. For, brutalized as low as he has ever been, his nature has ever told him it was wrong to submit to be governed by another. If the present era is peculiar for any one thing more than for its confusion, it is for the tendency every where to throw off the restraints of government. The progress of knowledge is directly favorable to this result; hence, one of the first thoughts, in coming into these combinations is, to avoid all government. The very name is opprobrious—they can put up with any inconvenience, but they must have no government:—and hence they struggle on, as I have shown in the first part of this articles—striving every way to avoid it, and at the same time entirely overlooking the

cause of all government. Here is a thought worthy to be treasured by all who are seeking for a better social state—All governments originate in amalgamated interests.

When men's interests become entirely disunited, governments will have nothing to do. But how is it in a community of interests? State, counties, town, &c., require laws, because a part of men's interests are united. But when their interests are ALL united, as in community, "the very maximum of government is required." It is perfectly plain, that if we keep our interests entirely separate, we are left the only sovereign of our own person, time, and property; and this we cannot be if our interests are at all combined;—for an individual who governs my time and property, governs me. Hence no union of interests can take place without the sacrifice of individual liberty;—not even the partnership of two persons, for in this case, the one or the other is compelled to yield his opinions constantly—and every one feels this to be an unnatural position. It is the nature of man to be independent; his thirst for liberty is, perhaps, the strongest feeling of his nature. What has not been accomplished with the name of liberty fastened to a banner? and yet all is but for the name. For LIBERTY has no existence in any institution in the world. She lives only in name; and why? It is because man's interests are combined more or less in every form of society. The solitary hermit alone can say,

"My right there is none to dispute."

Then he, having his entire liberty, find he has a social nature that demands gratification. He finds that, as he cannot produce of every kind, it is very convenient to have neighbors to exchange his products with; and if he does this, it becomes absolutely necessary that they have some standard by which to estimate their labor. In this case, what would naturally be the first thought? He would say at once,—give me as much of your labor as I have put in my article. Hence Mr. Warren's third proposition:—

COST, THE LIMIT OF PRICE.—This needs but to be stated for every one to see and acknowledge its justice. Yet in society as now constituted, this principle is totally disregarded. The price which an article will fetch, becomes the standard of right. This opens a field for wholesale swindling. If a man discovers that his neighbor's wheat crops are cut off, he buys up all the wheat in that region, and then, taking advantage of his neighbor's necessities, he puts the price up just as high as he thinks will possibly be borne by those who are suffering for want of the wheat. This is but a specimen of every other transaction of trade, under this principle of charging for an article whatever it will fetch, without any regard to the cost of producing it. To carry out the principle, one might charge his famishing neighbor the services of his whole life for a single meal! It is no matter of how much real value the article which I produce is to my neighbor; all that I have any right to charge, is the amount of labor I have expended in producing it, added to the cost of the raw material. For instance,—if a certain kind of shoes costs ten hours of labor, and a hat costs twenty hours of equally disagreeable labor, then it is plain that two pairs of

shoes should be exchanged for a hat, provided that the raw material in both cases costs the same. Each one is to be his own judge of the cost of his own labor per hour, compared with the production of some article to which all look as a standard or yard-stick, to measure the cost of their own labor. The production of wheat, for instance, might be regarded as one; in the same way that the chemist regards water in weighing liquors and metals. Every one is left free to make his own estimate; and if he estimate above the real cost, competition is in favor of his honest neighbor; hence competition, under this principle, compels men to be honest. By this means of labor-exchange, all opportunity for speculation is cut off, and the laborer gets the products of his own labor. How is it in society now? Does the laborer get what he produces? For otherwise. What is wealth? It is the product of labor—nothing more nor less. Whence comes all the wealth of the millionaire? If the laborers got what they produce, he would be left to starve. Who, then, produces all the wealth we now see squandered by the thousand idlers of our cities and villages? Why, the laboring men and women—the mechanic, the farmer, the seamstress, who have themselves but a bare pittance of what they produce. What would be the consequence of exchanging labor for labor? Why, every man and woman would get what they produce, and every working class would become very wealthy, provided they worked as much as they now do; while the idlers would get to work, or starve. We can just suppose the effect, by taking all the wealth of our cities, and dividing among the producers only, leaving the present owners without a copper that they did not produce.

Again: the greatest pecuniary advantage, perhaps, would arise from the use of labor-saving machinery. At present, this lever which is to overturn the world, is in the hands of a few capitalists, and made to play directly against the interest of the laborer. There is, without doubt, sufficient labor-saving machinery to produce all the comforts and luxuries of life to all the inhabitants thereof, provided every individual worked three hours at some useful employment every day. Franklin estimated it at four hours; but there has been labor-saving machinery enough introduced since his time to reduce it to, at least, three hours. Now, with the experience which I have had, in these glorious realms of terrestrial bliss, as pictured on paper, I would be satisfied to adopt any system which would actually throw the control of machinery into the hands of the masses, and still preserve individual freedom. Any system that will do this, will revolutionize society. Mr. Warren's system proposes this; for the man who works the machine gets pay only for his own labor, and wear of the machinery, added to the cost of the time of inventing. So that the man who invents a machine that will make fifty pairs of shoes in the time that it now takes to make one pair, will make shoes forty-nine-fiftieths cheaper to all with whom he deals. Hence, it becomes the direct advantage of all that machinery is invented, as it works for them, instead of against them, as now. At present, it is the greatest curse the laborer has to fear. Mr. Warren's third [fourth] proposition is:—

A CIRCULATING MEDIUM, OR LABOR NOTE.—What is the use of a circulating medium? Chiefly to “represent the difference in unequal exchanges of property.” For instance: I exchange a table for a bureau; the bureau costs more than the table; then it is convenient to have a labor note, which shall represent as much labor as the cost of the bureau exceeds that of the table; so that the table and the article which it will bring, will equal the cost of the bureau. Then the exchange is equal. Money, as a circulating medium, has no value. To-day, a dollar represents a bushel of grain—to-morrow, it represents but half a bushel; consequently it cannot be depended upon. A poor laborer, whose family depend upon his daily earnings for subsistence, cannot know how much money he ought to demand for his labor; for to-day his fifty cents buys him a half-bushel of wheat—to-morrow it will purchase but a peck, although he has performed the same amount of labor. It is clear, as before stated, that money has no value as a circulating medium. We must, therefore, adopt some medium which will always represent a certain quantity of labor, or produce, and which can be depended upon. The medium proposed is, that of each man’s issuing his labor notes, payable on demand—each note representing a certain number of hours or minutes of labor, at a certain rate per hour. The fifth and last proposition is:—

ADAPTING THE SUPPLY TO THE DEMAND, IN ALL THINGS.—The difficulties arising from the entire neglect of this principle in common society are immense. Hence the rise and fall in the market—at one time lean and destitute—at another glutted and running over; and at all time as unstable as the waves of the ocean. The only remedy for this is regulating the supply to the demand. This can be done in a self-supporting village, by having hung in some public place, a roll, on which each individual writes down what he has for market, under the column headed SUPPLY, and what he wishes in return, under the column headed DEMAND. On looking over the list of supplies, one sees advertised, with the name and address of the owner, an article which he wishes to secure. He knows where to go for what he wishes, but perhaps he wants an article he does not see advertised: he then writes down his demand, and another neighbor seeing it, and having the article to spare, immediately advertises, and then the former knows at once where his demand can be supplied. We will suppose he wants ten bushels of wheat; he turns to the column of demand and writes the number of bushels of wheat of a certain quality that he wishes to purchase, with his name and address; his neighbor seeing this demand, and having the wheat on hand, knows just where to find a market for it.

In the foregoing I have attempted some first idea of the principles which Mr. Warren proposes to introduce, by commencing a “Self-Supporting Village,” which may be called a village of equity. I have much fear that in this brief way of speaking of these principles, they will be misunderstood or misapplied. If I have failed to give them correctly, I have at least given them as I understand them. The very nature of man seem to demand some such principles as the above named. His individuality and sovereignty are necessary to him as a whole

human being. In this plan they are preserved to him. Making cost the limit of price, is going back to first principles of equity, when men must have first commenced to exchange with one another. It is in fact reducing the land to common property, no interest or usury being paid by the cultivator. Man has a social nature, which calls for gratification. This plan proposes to him all the advantages of combination without any of its disadvantages, by isolated cooperating interests; and will eventually reduce labor to a mere pastime. When this is the case, as there is no cost, there will be no price; and therefore the results are the same as those anticipated by Communities and Associations—the only difference being that they begin at the wrong end of the matter; they undertake a community of property at first, whereas, they should begin with individual interest.

In a future number of the Investigator, these principles will be illustrated by showing their application to society. A periodical, principally devoted to this subject, will soon be published.

MARIA L. VARNEY.

III.

Perhaps there is no subject which more deeply interests mankind than those of the re-organization of the social system. That some thing of the kind is necessary, no argument is required to convince any one. We have only to look about us—on every hand we behold the most utter destitution and squalid want, in the very midst of every thing that could be designed to make man happy. On the one hand, we behold the idle, non-producing drone, rolling in wealth and luxury—on the other hand, hundreds of hard working, industrious poor, suffering for the absolute necessities of life. No wonder that man should begin to inquire into the causes of all this—no wonder that a general feeling of dissatisfaction should every where pervade the human mind. That our present social system is the offspring of ignorance, and that it will be changed for a better as soon as knowledge shows to mankind what the better system is, no one can doubt. Many theories for reforming society have already been given to the world, and many experiments have been tried; but as yet, none have succeeded, nor are they like to succeed—and it is quite evident that all plans as yet proposed are impracticable, as a means of reforming society,—they are evidently not founded in the true laws of our nature, and, of course, contain within themselves the seeds of their own destruction.

Yet, after the great amount of intellect and talent which has been expended in the solution of the social problem, it would look presumptuous in any one to assert that he had solved this great problem. It is doubtless true, that any theory will have but little effect on the public mind, unless accompanied with a practical experiment, which shall illustrate and prove to the world the

practicability of such theory. This will account for the reason that the subject of "Equitable Commerce"—on which an article recently appeared in this paper, has not been given to the world ere this:—the author, Mr. J. WARREN, felt that mere theory without practical proof, would amount to little or nothing.

But as an experiment will soon be commenced, it may not be improper to give to the public all the information that it is possible to give on the subject without practical illustration. The proposition of Mr. Warren, which lies at the foundation of his system, is in direct opposition to all theories for reforming society by means of combination, or united interests. He says, "Strict Individuality must be preserved in all cases," as "no two minds are formed alike," of course, any system, when it becomes necessary for all to think alike, must be impracticable. In the words of Mr. Warren, "Society, to be harmonious, must be so formed, that every individual shall be supreme sovereign of his or her Person, Time, and Property."

That this proposition is founded in truth and justice, needs no very lengthy argument to prove, or deep reflection to convince any one. We have but to appeal to our own feelings to satisfy ourselves, whether we naturally prefer to be our own sovereign, or to yield ourselves to the management of some one else. Again: it will be perceived, that if this proposition can be carried out, poverty will disappear—no idle drones can live on the labor of the industrious. But that all may realize and enjoy their rights, as set forth in this proposition, a principle of action must be drawn from it, but which to regulate our necessary transactions of business, or exchange of commodities, "Cost must be the limit of Price"—or, in other words, Labor shall always be given for equal amounts of labor.

It will be perceived that this is a deduction from the first proposition: for it a man is supreme sovereign of his own property, or the product of his own labor, it is evident that in exchanging it for the product of another, the only just mode is, labor for equal amounts of labor. It is universally admitted by all political economists, that there is no wealth but labor or its products, (except natural wealth, to which every human being evidently has an equal right;—hence it follows, that those who perform the greatest amount of labor, produce the greatest amount of wealth; and society will never be right until it secures to every individual the products of his labor.

In regulating our exchanges by this true proposition of Mr. Warren, we shall evidently bring about the desired result:—for if A wishes to exchange an article with B that cost ten hours' labor, he demands the same amount of equally disagreeable labor of B, and why should he not have it?—I should like to have some lawyer tell me why. To prove the above propositions requires no argument: they are self-evident, and must be readily admitted by any one. But to proceed: it will be seen that to facilitate our exchanges, a circulating medium is necessary; for instance,—suppose A is a hatter—he wishes to procure an article produced by B—he gives B a hat, and receives an article of equal cost. B does not want the hat for his own use; he exchanges it with C for its cost in some article of C's production; C keeps the hat for his own use, and the exchange is at an end,—all

parties have their rights, and all have been accommodated. But this would be inconvenient and impracticable, for many articles could not be transferred from hand to hand;—hence it become necessary to have a representative of property. and here comes in Mr. Warren's fourth proposition,—“A Circulating Medium, representing Property according to the labor it cost.”

If every member of community could exchange the articles of his production for the articles he required, and the exchanges be equal and complete, there would be no necessity for any representative of property; but as this cannot be the case, it will be seen that the amount of the circulating medium should be in amount, “the same as the unadjusted balances;”—and that said representative of unadjusted balances should not be created by one man for another, nor by any company of men, but by the individual from whom the balance is due. If I exchange an article that cost ten hours' labor, for an article that cost thirty hours' labor, some thing is wanted to represent the twenty hours' difference. For this purpose let a note be given, printed in the manner of a bank bill, for twenty hours' labor on demand, signed by the one from who it is due. This becomes a medium of exchange, and passes from one man to another, until it is redeemed. This is, beyond a doubt, the most ingenious and philosophical plan for a circulating medium ever invented by man. It is founded on the very best bottom,—LABOR—always represents something positive, and naturally regulates itself as to amount.

The last proposition of Mr. Warren for the regulation of society, is, in all things, to “Regulate the Supply to the Demand,” That this proposition is one of great importance, must be evident to any one who has observed the workings of our present system. Let us suppose a Self-Supporting village of 500 inhabitants—it is certain there would be required a given amount of shoes, hats, clothing, etc. If a greater amount was required, it is evident it would be to the injury of the producer,—and the only rational mode would be, to first ascertain the demand, and then supply it. For this purpose, Mr. Warren proposes to have Journals kept in some public place, where each person could write their demands, and what they could supply. From self-interest people would resort to this place, and the supply would naturally regulate itself to the demand.

Above is a brief explanation of the principles of Me. Warren for reorganizing society. The effect of these principle, in practice, will, by deep reflection, be seen previous to the experiment. I wish, however, to notice some of the results which I think must flow from them. It will be seen at a glance, that under a system of this kind, and under no other, we can live without that accursed abomination, Government;—for if we are supreme sovereign of our own person, time, and property, no Government but Self-Government should exist: the moment we yield this natural right, some one else assumes it. This right must, of necessity, be yielded, the moment we unite, combine, or amalgamate our interests. At this point, Freedom ceases, and Government and Slavery commence. Even in the simplest form, that of two persons conducting business in co-partnership—neither party is free, but must be continually yielding their

opinions. If we increase the partners to any extent, it becomes impossible to do business in any way, except by the many yielding to the few. A prudent manager, agent, or leader must be appointed, who individual mind must govern the affairs of the rest. All this is the necessary result of the circumstances.

In all cases where there is Government, there is a combination of interests—where there is no combination of interests, there is no Government but Self-Government.

Had the proposed plans of Community or Association been presented to us stripped of all their ornaments and paintings,—for instance, had the inhabitants of a village who were living under the present clashing system, proposed a general co-partnership of all their citizens—proposed to combine all their interests into one general concern, in which all should be equal partners,—it is probable that the most common intellects would have foreseen that they could not succeed, from the fact that they could not agree in their views. Here has been the great mistake of social reformers: seeing that our present system of individual interest clashed in all its parts,—and seeing that cooperation was necessary to secure the greatest amount of happiness, they have vainly endeavored to bring it about by a union of interests, not perceiving that such a system contained the very seeds of discord and confusion.

The system of Mr. Warren is the very opposite extreme of combination—being founded upon the strictest individuality,—and yet it results in all the advantages anticipated from Community or Association. Let us apply these principles to society. We will begin at the first commencement of a village, and suppose a man commences farming in some suitable place to form a village. He is willing to exchange the products of his labor for an equal amount of the labor of any other person who produces articles which he requires; perhaps he wishes to build a house. This makes a demand for a saw-mill; a suitable person is procured to supply the demand, who is also willing to exchange on the cost principle. These two families make still further demands,—perhaps for a shoemaker and a blacksmith, which will still further increase the demand,—perhaps for a tailor, carpenter, wheelwright, &c. Perhaps by this time, there is a sufficient demand for a store, which being opened on the cost principle, necessarily draws all the surrounding neighbors there to trade from self-interest. These in their turn, exchanging the products of their labor, become in realities parties in the affair; the neighboring stores must either come down to the cost principle, or be used up. So, also, with mechanics of all kinds, farmers, lawyers, doctors, &c., &c., competition would do the work, and none could escape.

But we must not look for any magical change in human nature. We must not expect that men will become changed from extreme selfishness to extreme generosity. On the contrary, when labor shall be re-organized as capital, we must look for all kinds of schemes and devices by which to secure as much labor as possible;—hence, if we have not some moral check upon the perverted dispositions of men, we may still look for an accumulation of the capital in the

hands of the more cunning. But whenever labor shall receive its rights, we have a most perfect regulator and leveller in competition. So powerful and efficient will this agent become, that the moral and virtuous class of society will have the most complete control over all designing and dishonest individuals.

Suppose a man should establish a store in one of our present villages, where there was already half a dozen stores—and that he should sell goods on the cost principle,—that is, for just the amount of money he paid for them, and an equal amount of labor for the labor expended in buying and selling? Who cannot see that competition would compel every merchant to come down to his standard? Should a mechanic adopt the same rule, and same effect would follow. In this way, a very few honest individuals could compel the whole village to come to the standard of honesty. Was society established on these principles, the average amount of labor which it took to produce an article, would soon be known through the medium of competition; and as the amount of labor required to produce an article to-day, would produce the same to-morrow, there could be no possible chance for a man to get an exorbitant price for an article, as the general knowledge on the subject would not allow it.

But the most beautiful feature of Mr. Warren's system consists in the fact that, notwithstanding there is no combination or union of interests, by which one is compelled to yield his individual opinions on any occasion, yet from the very nature of the circumstances, the most perfect cooperation takes place, and for the best of all reasons,—self-interest. The moment that society is established on the just and true principle of labor for labor, it becomes the interest of every one to promote the interest of his neighbor, inasmuch as that which conduces to his neighbor's interest, promotes his own. For instance: if my shoes cost me ten hours' labor per pair, it becomes my immediate interest to throw every facility in the way of the manufacturer, to enable him to make them in less time.

Again: if I were boarding at a boarding-house kept on the cost principle, I should have to pay the keeper the same amount of money that he paid out for food, and an equal amount of labor for the labor performed in cooking, &c.;—hence, it becomes my interest to inform the keeper of every cheap article of food, and to procure for him all the boarders I can, as I thereby reduce my own expenses.

By a moment's reflection, we shall easily perceive that this just principle necessarily operates through all the ramifications of society, and that it would be impossible to injure our neighbor without injuring ourselves. Again: this system most completely throws into the hands of the mass, the benefits of labor-saving machinery. If a hat cost twenty-four hours' labor, and a machine is invented by which they are produced in one hour, I, of course, get my hats for one hour's labor, instead of twenty-four, allowing something for the wear of the machinery. The capitalist will not be then, as now, the only one benefited by machinery, and that, too, at the expense of the laborer; but every member of society will be equally benefited. Of course, all will feel an equal interest in them, and this will tend to draw out all the incentive power that exists. Skill and talent

of all kinds will also be drawn out through the influence of competitions. It is evident that an awkward, unskillful mechanic could not get twelve hours' labor for producing an article that one more skilful could produce in eight hours. Yet the influence of competition would only bring things to their true and natural level. Like the regulator of machinery, it only acts when the machine runs too fast or too slow.

The idea may come in here, that those who are the least skilful may suffer by the competition of the more skilful. At first view, this appears unjust. But on reflection, we find it to be not only the strictest justice, but the strongest possible stimulant to improvement and progression; for it is evident that competition would never bring an article lower than the labor it cost an average workman to produce it:—the supply being regulated by the demand in things, it would never be necessary for a man to work under price for the sake of getting work to do. Hence, when we consider that it takes no more labor for one man to produce an article than another,—for the same number of threads drawn and pegs driven will always produce the same kind of a shoe,—of course, if a man is awkward and unskillful, and cannot produce an article in the usual time, it argues that his is in the wrong place, and others ought not to be the sufferers. But, after all, this nicety is unnecessary;—for when society is so arranged that men shall receive the whole products of their labor, the most unskillful can produce, with comparatively little exertion, all they require.

Another beautiful feature of this system is, that it puts the earth, and all natural wealth into the hands of the mass. It requires no argument to prove that the earth belongs equally to all its inhabitants; and any system of society which will redeem natural wealth and the soil for the benefit of the producers, will have, at least, one strong recommendation. It will be seen that this can be accomplished simply and effectually by Mr. Warren's theory. Suppose a man owned a farm in an "Equitable Commerce" village, where all the exchanges are made on the principle of labor for labor—what profit would his farm be to him if he did not labor? and if he did labor, he would be just as much benefited by it without a farm, as with it. It would be the same if he wished to sell it. Like the honey which the bee has laid up for the winter, it will support him until he has eaten up the amount of its cost, and no longer. Unless a man was a skilful farmer, there would be less inducement for him to cultivate his own land, even, than to labor at some other occupation. If a neighbor took me into his field to see a fine crop of grain, or into his orchard to see rich trees bending under the weight of rich fruit, I should be equally delighted with the owner, for the best of all reasons,—I should be equally interest; for the cheaper the crop, the less labor would they cost per bushel. Were the crops cut off, I should necessarily sympathize with the farmers, for I should be equally the loser.

So through all the ramifications of society, every member being just as much interested in every other department as his own, a natural cooperation of the most perfect kind necessarily takes place. With this universal interest and sympathy extending through all the departments of society, and binding its

members together with the strong cords of self-love, those envious, jealous, and discordant feelings which now every where exist, would disappear, and in their place would arise confidence, love, and harmony. Every man being placed in a condition to exercise his inalienable rights, the right of being sovereign of his own "person, time, and property," he would naturally respect those rights in others,—and then might we see practised the golden rule, of "doing unto others as we would that others should do unto us."

THOMAS VARNEY.

SOURCE: *The Boston Investigator*. April 8, April 15, and May 6, 1846.

EQUITABLE VILLAGES IN AMERICA.

By
William Pare, Esq.

[Read before the Statistical Section of the British Association at Glasgow,
September, 1885.]

THERE was founded, some four years since, in Long Island, in the State of New York, what is called an "*Equitable Village*," under the distinctive title of "*Modern Times*." Its origin is due to Mr. Josiah Warren, formerly of Cincinnati, Ohio, who claims to be the discoverer of a new theory of society, now sought to be reduced to practice at "*Modern Times*," and other "*Equitable Villages*" in various parts of the United States of North America.

As this new theory of society is different to any heretofore attempted, and is now being tested by actual experiment, I trust I may be excused for occupying a few minutes of your time in stating what are its main features, and in directing your attention to a few simple works, from which those who desire may obtain further information, and from which I shall freely quote materials for this paper.

Mr. Warren gives to his theory the generic title of "*Equitable Commerce*," using the word "commerce" not in its restricted and ordinarily understood sense, as pertaining only to trade, and the interchange of commodities, but in the enlarged *old* English signification of the word "conversation," that is, human intercourse of all sorts, interchange of work, business, ideas, civilities, or amusements; in short, the concrete, or *tout ensemble*, of human relations.

According to Mr. Warren, the following is the SOCIAL PROBLEM, in all its branches, which has to be solved:—

- I. The proper, legitimate, and just reward of labour.
- II. Security of person and property.
- III. The greatest practicable amount of freedom to each individual.
- IV. Economy in the production and uses of wealth.
- V. To open the way for each individual to the possession of land, and all other natural wealth.
- VI. To make the interests of all to co-operate with and assist each other, instead of clashing with and counteracting each other.
- VII. To withdraw the elements of discord, of war, of distrust, and repulsion; and to establish a prevailing spirit of peace, order, and social sympathy.

And, according to him also, the following principles are the means of the solution of this Social Problem:—

Individuality.

The Sovereignty of every individual.

Cost as the limit of price.

A circulating medium founded on the cost of labour
Adaptation of the supply to the demand.

As observed by Mr. Stephen Pearl Andrews, an acute writer on the subject, "the mere reading of this programme will suggest the immensity of the scope to which the subject extends. A few minds may, from these principles, begin to perceive the rounded outlines of what Mr. Andrews does not hesitate to pronounce the most complete *scientific statement* of the problem of human society which has ever been presented to the world. Most, however, will hardly begin to understand the universal and all-pervading potency of these few simple principles, until they find them elaborately displayed and elucidated." The briefest possible exposition, however, of each of these principles is all that will be expected of me on this occasion.

And first of "Individuality," out of which springs the doctrine of the "Sovereignty of the Individual."

It is affirmed, that individuality pervades universal nature; that it is positively the most fundamental and universal principle which the finite mind seems capable of discovering, and the best image of the infinite. There are no two objects in the universe which are precisely alike. Each has its own constitution and peculiarities which distinguish it from every other. Infinite diversity is the universal law. In the multitude of human countenances, for example, there are no two alike; and in the multitude of human characters there is the same variety. The principle applies equally to persons, to things, and to events. There have been no two occurrences which were precisely alike, during all the cycling periods of time. No action, transaction, or set of circumstances, whatsoever, ever corresponded precisely to any other action, transaction, or set of circumstances. This diversity reigns throughout every kingdom of nature, and, it is contended, "mocks at all human attempts to make laws, or constitutions, or regulations, or governmental institutions of any sort, which shall work justly and harmoniously amidst the unforeseen contingencies of the future."

The individualities of objects are least, or, at all events they are less apparent, when the objects are inorganic, or of a low grade of organization. The individualities of the grains of sand which compose the beach, for example, are less marked than those of vegetables, and those of vegetables are less than those of animals, and, finally, those of animals are less than those of man. In proportion as any object is more complex, it embodies a greater number of elements, and each element has its own individualities or diversities in every new combination into which it enters. Consequently these diversities are multiplied into each other, in the infinite augmentation of geometrical progression. Man, standing, then, at the head of the created universe, is consequently the most complex creature in existence—every individual, man or woman, being a little world in him or herself, an image or reflection of God, an epitome of the Infinite. Hence the individualities of such a being are utterly immeasurable; and every attempt to adjust the capacities, the adaptations, the

wants, or the responsibilities of one human being by the capacities, the adaptations, or the wants of another human being, except in the very broadest generalities, is unqualifiedly futile and hopeless. Hence every ecclesiastical, governmental, or social institution which is based on the idea of demanding conformity or likeness in any thing, has ever been, and ever will be, frustrated by the operation of this subtle, all-pervading, principle of individuality. Hence, human society has ever been, and is still, in the turmoil of revolution. The only alternative known has been between revolutions and despotism. Revolutions violently burst the bonds, and explode the foundations of existing institutions. The institution falls before the individual. Despotism only succeeds by denaturalizing mankind. It extinguishes their individualities only by extinguishing them. The individual falls before the Institution.

It is affirmed that this indestructible and all-pervading individuality, furnishes, itself, the law and the only true law of order and harmony throughout the universe. When every individual particle of matter obeys the law of its own attraction, and comes into that precise position, and moves in that precise direction which its own inherent peculiarities demand, the harmony of the spheres is evolved. By that means only, natural classification, natural order, natural organization, natural harmony and agreement, are attained. Every scheme or arrangement which is based upon the principle of thwarting the inherent affinities of the individual monads, which compose any system or organism, is essentially vicious, and the organization is false—a mere bundle of revolutionary and antagonistic atoms. If, then, individuality is a universal law which must be obeyed if we would have order and harmony in any sphere, and, consequently, if we would have a true constitution of human government, then the absolute sovereignty of the individual necessarily results. The monads or atoms of which human society is composed, are the individual men and women in it. They must be so disposed of, as we have seen, in order that society may be harmonic, that the destiny of each shall be controlled by his or her own individualities of taste, conscience, intellect, capacity and will. But man is a being endowed with consciousness. He, and no one else, knows the determining force of his own attractions. No one else can, therefore, decide for him; and hence individuality can only become the law of human action by securing to each individual the sovereign determination of his own judgment, and of his own conduct, in all things, with no right reserved either of punishment, or censure, on the part of anybody else whomsoever; and this is what is meant by the "Sovereignty of the Individual," limited only by the ever-accompanying condition, resulting from the equal sovereignty of all others, that the onerous consequences of his actions be assumed by himself.

It would, perhaps, be injudicious to conclude this almost naked statement of the doctrine of "the Sovereignty of the Individual" without a more formal statement of the scientific limit upon the exercise of that sovereignty which the principle itself supplies. If the principle were predicated of one individual alone, the assertion of his sovereignty, or, in other words, of his absolute right to do as

he pleases, or to pursue his own happiness in his own way, would be, confessedly, to invest him with the attributes of despotism over others. But the doctrine which I have endeavoured to set forth is not that. It is the assertion of the concurrent sovereignty of all men, and of all women, and within the limits I am about to state, of all children. This concurrence of sovereignty necessarily and appropriately limits the sovereignty of each. Each is sovereign only within his own dominions, because he can not extend the exercise of his sovereignty beyond these limits without trenching upon, and interfering with, the prerogative of others whose sovereignty the doctrine equally affirms. What, then, constitutes the boundaries of one's own dominions? This is a pregnant question for the happiness of mankind, and one which, it is said, has never, until now, been specifically and scientifically asked and answered. The answer, if correctly given, will fix the precise point at which sovereignty ceases, and encroachment begins; and it is affirmed that that knowledge, accepted into the public mind, will do more than laws and the sanction of laws, to regulate individual conduct and intercourse. The limitation is this: every individual is the rightful sovereign over his own conduct in all things, whenever, and just so far as, the consequences of his conduct can be assumed by himself; or, rather, inasmuch as no one objects to assuming *agreeable* consequences, whenever and as far as this is true of the *disagreeable* consequences. For *disagreeable* consequences, endurance, or burden of all sorts, the term "*cost*" is elected as a scientific technicality. Hence the exact formula of the doctrine, with its inherent limitation, may be stated thus:—"The Sovereignty of the Individual, to be exercised at his own cost." It results, that wherever such circumstances exist that a person cannot exercise his own individuality and sovereignty without throwing the "*cost*," or burden of his actions upon others, the principle has so far to be compromised. Such circumstances arise out of connected or amalgamated interests, and the sole remedy is disconnection. The exercise of sovereignty is the exercise of the deciding power. Whoever has to bear the cost should have the deciding power in every case. If one has to bear the cost of another's conduct, and just so far as he has to do so, he should have the deciding power over the conduct of the other. Hence dependence and close connections of interests demand continual concessions and compromises. Hence, too, close connection and mutual dependence is the legitimate and scientific root of despotism, as disconnection or individualization of interests is the root of freedom and emancipation.

If the close combination which demands the surrender of our will to another, is one instituted by nature, as in the case of the mother and the infant, then the relation is a true one notwithstanding. The surrender is based upon the fact that the child is not yet strictly an individual. The unfolding of its individuality is gradual, and its growing development is precisely marked by the increase of its ability to assume the consequences of its own acts. If the close combination of interests is artificial or forced, then the parties exist toward each other in false relations, and to false relations no true principles can apply.

Consequently, in such relations, the sovereignty of the individual must be abandoned. The law of such relations is collision and conflict, to escape which, while remaining in the relations, there is no other means but mutual concessions and surrenders of the selfhood. Hence, inasmuch as the interests of mankind have never yet been scientifically individualized by the operations of an equitable commerce, and the limits of encroachment never scientifically defined, the axioms of morality, and even the provisions of positive legislation, have been doubtless appropriate adaptations in the ages of false social relations to which they have been applied, as the cataplasm or the sinapism may be for disordered conditions of the human system. We must not, however, reason, in either case, from that temporary adaptation in a state of disease to the healthy condition of society or the individual. Much that is relatively good, is only good as a necessity growing out of evil. The greater good is the removal of the evil altogether.

Mr. Warren contends that the doctrine of "Individuality," and "the Sovereignty of the Individual," involves two of the most important scientific consequences, the one serving as a guiding principle to the true solution of existing evils in society, and to the exodus out of the prevailing confusion; and the other as a guiding principle of deportment *in* existing society while those evils remain. The first is that the sovereignty of the individual, or in other words, absolute personal liberty, can only be enjoyed along with the entire disintegration of combined or amalgamated interests; and here the "cost principle" comes in to point out how that disintegration can and must take place, not as an isolation, but along with, and absolutely productive of the utmost conceivable harmony and co-operation. The second is, that while people are forced, by the existing conditions of society, to remain in the close connections resulting from amalgamated interests, there is no alternative but compromise and mutual concession, or an absolute surrender upon one side or the other. While it is the most ultra-radical doctrine in theory and final purpose ever promulgated in the world, it is at the same time eminently conservative in immediate practice. While it teaches, in principle, the prospective disruption of nearly every existing institution, it teaches concurrently, as matter of expediency, a patient and philosophic endurance of the evils around us, while we labour assiduously for their removal. So far from quarrelling with existing government, where it is put upon the footing of temporary expediency as distinguished from abstract principle, and final purpose, it sanctions and confirms it. It has no sympathies with aimless and fruitless struggles, the recriminations of different classes in society, nor with merely anarchical and destructive onslaughts upon existing institutions. It proposes no abrupt and sudden shock to existing society. It points to a scientific, gradual, and perfectly peaceable substitution of new and harmonious relations for those which are confessedly beset, to use the mildest expression, by the most distressing embarrassments.

Having thus briefly touched upon the two first principles propounded by the author of this new theory for the solution of the Social Problem, viz., "*Individuality*," and "*the Sovereignty of every Individual*;" we come now to an exposition of the third principle, which is expressed in the formula "*Cost the limit of Price*."

Mr. Andrews, the principal writer or commentator on Mr. Warren's theory, whom I have before mentioned and quoted, says of this principle, that "in itself it is one which will not probably strike the reader when first stated, as either very profound, very practicable in its application, or very important in its consequences; nor, perhaps, as even equitable in itself. He avers, however, that when subjected to analysis, and traced into its ten thousand different applications, to ownership, to rent, to wages, &c., that it places all human transactions relating to property upon a new basis of exact justice; that is, it has the perfect, simple, but all-prevailing character of a UNIVERSAL PRINCIPLE.

"The counter-principle upon which all ownership is now maintained and all commerce transacted in the world is, that 'Value is the limit of price,' or as the principle is generally stated in the cant language of trade, 'a thing is worth what it will bring.'"

Between these two principles, so similar that the difference in the statement would hardly attract a moment's attention unless it were specially insisted upon, lies the essential difference between the present most unsatisfactory condition of society, and the reign of equity, the just remuneration of labour, and the independence and elevation of all mankind.

"There is nothing (continues Mr. Andrews) apparently more innocent, harmless, and equitable in the world than the statement that 'a thing should bring what it is worth,' and yet even that statement covers the most subtle fallacy which it has ever been given to human genius to detect and expose—a fallacy more fruitful of evil than any other by which the human intellect has ever been clouded."

According to Mr. Warren, *value* has nothing whatever to do, upon scientific principles, with settling the *price* at which any article should be sold. *Cost* is the only equitable limit, and by cost is meant the amount of *labour* bestowed on its production, that measure being again measured by the *painfulness* or *repugnance* of the labour itself.

Value is a consideration for the purchaser alone, and determines him whether he will give the amount of the cost or not.

This statement is calculated to raise a host of objections and inquiries. If one purchaser values an article more highly than another, by what principle will he be prevented from offering a higher price? How is it possible to measure the relative *painfulness* or *repugnance* of labour? What allowance is to be made for superior skill or natural capacity? How is that to be settled? How does this principle settle the questions of interest, rent, machinery? &c. What is the nature of the practical experiments which have already been made? &c., &c.

These several questions, and many others, connected with this interesting and important subject, are specifically answered in treatises by Mr. Warren and Mr. Andrews, one of which, by the former of these gentlemen, embodies the "Practical Details" of twenty-four years of continuous experiment upon the workings of the "Cost Principle" and the other principles related to it. These "Practical Details" relate to the operations of several mercantile establishments conducted at different points, upon the "*Cost Principle*," to the education of children; to social intercourse; and finally to the complex affairs of several villages which have grown up during the last seven years under the system of "Equitable Commerce" of which the cost principle is the basis. These practical details, I may venture to affirm, from a personal knowledge of their character, present a body of facts profoundly interesting to the philanthropic and philosophic student of human affairs.

I shall content myself on this occasion with giving a few sentences mainly from a work of Mr. Andrews, intitled "*The Science of Society*," illustrative, and in defence, of the principle now more immediately under consideration' viz.,—that Cost is the limit (or scientific measure) of Price.

He starts with the proposition—"That the essential element of beneficent commerce is EQUITY, or that which is just and equal between man and man." He then proceeds:—"The fundamental inquiry, therefore, upon the answer to which alone a *science* of commerce can be erected, is the true measure of equity, or, what is the same thing, the measure of *price* in the exchange of labour and commodities.

This question is one of *immense* importance, and strange to say, it is one which has never received the slightest consideration, which has never, indeed, been raised either by political economists, legislators, or moralists. The only question discussed has been, what it is which now regulates price—never, what should regulate it. It is admitted, nevertheless, that the present system of commerce distributes wealth most unjustly. Why, then, should we not ask the question,—what principle or system of commerce would distribute it justly? Why not apply our philosophy to discovering the true system rather than apply it to the investigation of the law according to which the false system works out its deleterious results?

Simple equity is this, *that so much of YOUR labour as I take and apply to MY benefit, so much of MY labour ought I to give you to be applied to YOUR benefit; and, consequently, if I take a product of your labour instead of the labour itself, and pay you in a product of my labour, the commodity which I give you ought to be one in which there is JUST AS MUCH LABOUR as there is in the product which I receive.*

The same idea may be differently presented in this manner.—It is equity, that *every individual should sustain just as just as much of the common burden of life as has to be sustained by anybody on his account.* Such would be the result if each produced for himself all that he consumed, as in the first case

supposed above; and the fact that it is found convenient to exchange labour and the products of labour, does not vary the definition of equity in the least.

So much for the *principle* of equity. The next step in the investigation is the method of applying it—the means of arriving at the *measure* of equity. If I exchange my labour against yours, the first measure that suggests itself for the relative amount of labour performed by each is the length of time that each is employed. If all pursuits were equally laborious, or, in other words, if all labour were equally repugnant or toilsome—if it *cost* equal amounts of human suffering or endurance for each hour of time employed in every different pursuit, then it would be exact equity to exchange one hour of labour for one other hour of labour, or a product which has in it one hour of labour for another product which has in it one hour of labour the world over. Such, however, is not the case. Some kinds of labour are exceedingly repugnant, while others are less so, and others again are pleasing and attractive. There are differences of this sort which are agreed upon by all the world. For example,—sweeping the filth from the streets, or standing in the cold water and dredging the bottom of a stream, would be, by general consent, regarded as more repugnant, or, in the common language on the subject, *harder work*, than laying out a garden, or measuring goods.

But besides this general difference in the *hardness* or *repugnance* of work, there are individual differences in the feeling towards different kinds of labour which make the *repugnance* or *attraction* of one person for a particular kind of labour quite different from that of another. Labour is repugnant or otherwise, therefore, more or less, according to the *individualities* of persons.

It follows from these facts, that equity in the exchange of labour, or the products of labour, cannot be arrived at by measuring the labour of different persons *by time* merely. Equity is the equality of burdens according to the requirements of each person, or, in other words, the assumption of as much burden by each person as has to be assumed by somebody, on his account, so that no one shall be living by imposing burdens upon others. Time is one element in the measurement of the burdens of labour, but the different degrees of repugnance in the different kinds of labour prevent it from being the only one. Hence it follows that there must be some means of measuring *this repugnance itself*—in other words, of determining the relative *hardness* of different kinds of work, before we can arrive at an equitable system of exchanging labour, and the products of labour. If we could measure the general *average* of repugnance, that is, if we could determine how people generally regard the different kinds of labour as to their agreeableness or disagreeableness, still that would not insure equity in the exchange between individuals, on account of those *individualities of character and taste* which have been adverted to. It is an equality of burden between the *two* individuals who exchange, which must be arrived at, and *that* must be according to the estimate which *each* honestly forms of the repugnance to *him* or *her* of the particular labour which he or she performs, and which, or the products of which, are to be exchanged.

It is important, for reasons of practical utility, to arrive at a *general*, or *average*, estimate of the relative repugnance of different kinds of labour, especially of the most common kinds, and that has been, and is done, under the operations of the cost principle, at the "Equitable Villages," which have been, and are now, in operation in America. But, as we have seen, this even would not be a sufficiently accurate measure of equity to be applied between *individuals*; while on the other hand, this average itself can only be based upon individual estimates.

It follows, therefore, in order to arrive at a satisfactory measure of equity, and the adoption of a scientific system of commerce:—

That some method must be devised for comparing the relative repugnance of different kinds of labour.

That in making the comparison, *each individual* must make his or her own estimate of the repugnance to him or her of the labour which he or she performs, &c.

That there should be a sufficient motive in the results, or consequences, to insure an honest exercise of the judgment, and an honest expression of the real feelings of each, in making the comparison.

As to the first condition—the devising some method by which to compare the relative repugnance of different kinds of labour. This is extremely simple. All that is required is to agree upon some particular kind of labour, the average repugnance of which is most easily ascertained, or the most nearly fixed, and use it as a *standard of comparison*, a sort of *yard-stick* for measuring the relative repugnance of other kinds of labour. For example, in the western American states it is found that the most appropriate kind of labour to be assumed as a standard with which to compare all other kinds of labour is corn-raising. It is also found, upon extensive investigation, that the average product of that kind of labour, in that region, is *twenty pounds of corn to the hour*. If, then, blacksmithing is reckoned as one-half harder work than corn-raising, it will be rated (by the blacksmith himself) at *thirty pounds of corn to the hour*. If shoemaking be reckoned at one-quarter less onerous than corn-raising, it will be rated at *fifteen pounds of corn to the hour*. In this manner the idea of corn-raising is used to measure the relative repugnance of all kinds of labour.

The second condition—reserving to each individual the right of making his or her estimate of the comparative repugnance to him or to her, of the particular labour which he or she performs, is necessary both for the reasons already stated, and because another equally important principle in the true science of society is the sovereignty of the individual. The individual must be kept absolutely above all institutions. He must be left free even to abandon the principles when he chooses. The only constraint must be in the attractive nature and results of true principles.

The third condition was stated to be—"that there should be a sufficient motive in the results or consequences of compliance with these principles to insure an honest exercise of the judgment, and an honest expression of the real

feeling of each in making his estimate of the relative repugnance of his labour." The existence of such a motive can only be shown by a view of the general results of this entire system of principles upon the condition of society, and upon the particular interests of the individual. These results must be gathered from a thorough study of the whole subject, in order to establish this point conclusively to the philosophic mind. The force of a public sentiment, rectified by the knowledge of true principles, will not be lost sight of by such a mind."

I shall not detain you by a statement of the particular remedial results of deviations from the principles of equity upon the interests of individuals, but they are specifically pointed out in the work of Mr. Andrews.

Especial attention is directed to the technical distinction between *value* and *cost*—a point of great importance to the whole discussion.

"What a thing is worth," is another expression for the value of a commodity or labour. The *value* of a commodity, or labour, is *the degree of benefit which it confers upon the person who receives it, or to whose use it is applied*. The *cost* of it is, on the other hand, as already explained, *the degree of burden which the production of the commodity, or the performance of the labour, imposed upon the person who produced or performed it*. They are, therefore, by no means the same. No two things can possibly be more distinct. The burden or cost may be very great, and the benefit or value very little, or *vice versâ*. In the case of an exchange or transfer of an article from one person to another, the cost relates to the party who makes the transfer, the burden of the production falling on him, and the *value* to the party to whom the transfer is made, the article going to his benefit. It is the same if the object exchanged is labour directly. It follows, therefore, that to say that "a thing should bring what it is worth," which is the same as to say that "*its price should be measured by its value*," is quite the opposite of affirming that it should bring *as much as it cost the producer to produce it*. Hence both rules cannot be true, for they conflict with and destroy each other. It is affirmed, however, that *cost* is the true and *value* the false measure of price, and the author seeks to establish this by a most logical disquisition and a comparison of the consequences of the two principles in operation.

It is admitted that although value is not the legitimate limit of price, nor even an element in the price, it is nevertheless an element in the bargain. *It is the value of the thing to be acquired which determines the purchaser to purchase*. It belongs to the man who labours, or produces an article, estimating for himself, as we have seen, the amount of burden he has assumed, to fix the price measured by that burden or cost. He alone knows it, and he alone, therefore, can determine it. It belongs, on the other hand, to the purchaser to estimate for himself the value of the labour or commodity to him. He alone can do so in fact, for he alone knows the nature of his own wants. By the settlement of the first point—the cost to the producer—the price becomes a fixed sum. If the value then exceeds that sum in the estimation of the other party he will purchase, otherwise not. Hence the value, though not an element in the price, is

an element in the bargain. The price is a consideration wholly for the vendor, and the value a consideration wholly for the purchaser. Hence it follows that both *value* and *cost* enter into a bargain, even when legitimately made. But *value* goes solely to determine the *demand*, and is solely cognizable by the *purchaser* or *consumer*—by *him who receives*; while *cost* (or *burden*) goes to determine the price, and is solely cognizable by the *seller* or *producer*—by *him who renders*. By this means the cost of each one's acts is made to fall upon himself, which is the essential condition of the rightful exercise of the sovereignty of the individual. If you over-estimate the value to you of my services, you endure the cost or disagreeable consequences of your mistake or want of judgment. If I, on the other hand, under-estimate the cost or endurance of the performance to me, the cost of that error falls on me, submitting each of us to the government of consequences, the only legitimate corrective. If, again, I over-estimate the cost to me, and ask a price greater than your estimate of the value to you, there is no bargain, and I have lost the opportunity of earning a price measured by the real cost of the performance, so that the cost of my mistake again falls on me; while, the market being open, and a thorough adjustment of supply to demand being established, others will make a juster estimate, whose services you will procure and you will suffer no inconvenience. Competition will regulate any disposition on my part to overcharge.

All this is reversed in our existing commerce. The vendor adjusts his price to what he supposes to be its value to the purchaser, that is to the degree of want in which the purchaser is found, never to what the commodity cost himself; thus interfering with what cannot concern him, except as a means of taking an undue advantage. The purchaser, on the other hand, offers a price based upon his knowledge or surmise of what the degree of want of the vendor may force him to consent to take.

As respects the propriety of measuring price by value, it is, in the first place, stated to be *essentially impossible to measure value EXACTLY*, or, in other words, to ascertain the precise WORTH of labour or commodities; and that, in the next place, if it were possible to measure values precisely, *the exchange of commodities according to value would still be a system of mutual conquest and oppression*, not a beneficent reciprocation of equivalents. And this is illustrated by the following, among other examples:—

“Suppose I am a wheelwright, in a small village, and the only one of my trade. You are travelling with certain valuables in your carriage, which breaks down opposite my shop. It will take an hour of my time to mend the carriage. You can get no other means of conveyance, and the loss to you, if you fail to arrive at the neighbouring town in season for the sailing of a certain vessel, will be \$500, which fact you mention to me, in good faith, in order to quicken my exertions. I give one hour of my work and mend the carriage. What am I, in equity, entitled to charge—what should be the *limit of price* upon my labour?”

Let us apply the different measures and see how they will operate. If *value* is the limit of price then the price of the hour's labour should be \$500. That is

the equivalent of the value of the labour to you. If *cost* is the limit to price, then you should pay me a commodity, or commodities, or a representative in currency which will procure me commodities, having in them one hour's labour, equally as hard as the mending of the carriage, without the slightest reference to the degree of benefit which that labour has bestowed upon you; or, putting the illustration in money thus:—assuming twenty-five cents to be an equivalent for an hour's labour of an artizan in that particular trade, then, according to the *cost principle*, I should be justified in asking only twenty-five cents, but according to the *value principle*, I should be justified in asking \$500.

The *value principle*, in some form of expression, is, as I have said, the only *recognized* principle of trade throughout the world. "A thing is worth what it will bring in the market." Still, if I were to charge you \$500, or a fourth part of that sum, and, taking advantage of your necessities, force you to pay it, everybody would denounce me, the poor wheelwright, as an extortioner and a scoundrel. Why? Simply because this is an *unusual* application of the principle. Wheelwrights seldom have a chance to make such a "speculation," and therefore it is not according to the "established usages of trade." Hence its manifest injustice shocks, in such a case, the common sense of right. Meanwhile you, a wealthy merchant, are daily rolling up an enormous fortune by doing business upon the same principle which you condemn in the wheelwright, and nobody finds fault. At every scarcity in the market you immediately raise the price of every article you hold. It is your *business* to take advantage of the necessities of those with whom you deal, by selling to them according to the value to them, and not according to the *cost* to you. You go further. You, by every means in your power, create those necessities, by buying up particular articles and holding them out of the market until the demand becomes pressing, by circulating false reports of short crops, and by other similar tricks known to the trade. This is the same in principle as if the wheelwright had first dug the rut in which your carriage upset, and then charged you the \$500.

It is contended that "the value principle" is the commercial embodiment of the essential element of conquest and war,—war transferred from the battle-field to the counter, none the less opposed, however, to the spirit of christian morality, or the sentiment of human brotherhood. In bodily conflict the physically strong conquer and subject the physically weak. In the conflict of trade the intellectually astute and powerful conquer and subject those who are intellectually feeble, or whose intellectual development is not of the precise kind to fit them for the conflict of wits in the matter of trade. With the progress of civilization and development we have ceased to think that superior physical strength gives the *right* of conquest and subjugation. We have graduated, in idea, out of the period of physical dominion. We remain, however, as yet in the period of intellectual conquest or plunder. It has not been questioned hitherto, as a general proposition, that the man who has superior intellectual endowments to others, has a right, resulting therefrom, to profit thereby at the cost of others. In the extreme applications of the admission only is the conclusion ever denied.

In the whole field of what are denominated the legitimate operations of trade, there is no other law recognized than the relative "smartness or shrewdness" of the parties, modified at most by a sentimental precept, such as an exhortation to be "fair" in your dealings. The *sentiment* of honesty exists, but the *science* of honesty is wanting. The sentiment is first in order. The science must be an outgrowth, a consequential development of the sentiment. The precepts of christian morality deal properly with that which is the soul of the other, leaving to intellectual investigation the discovery of its scientific complement.

The following, among others, are the objectionable consequences which flow from the principle of making value, instead of cost, the rule of price; and every one of which consequences, it is affirmed, are reversed by the operation of the cost principle:—

It renders falsehood and hypocrisy a necessary concomitant of Trade.

It makes the rich richer, and the poor poorer.

It creates trade for trade's sake, and augments the number of non-producers, whose support is chargeable to labour.

It degrades the dignity of labour.

It prevents the possibility of a scientific adjustment of supply to demand.

It renders competition destructive and desperate.

It renders the induction of new machinery a wide-spread calamity, instead of a universal blessing.

The importance and novelty of the three first principles propounded by Mr. Warren, as the solution of the social problem— namely, "Individuality," "the Sovereignty of the Individual," and "Cost the limit of Price," must plead my excuse for having occupied so much of the time accorded me, to their elucidation, and for the necessary brevity with which I shall notice the two remaining principles, and which will explain to you the "Circulating Medium" adopted in these "Equitable Villages," and the means taken to adapt the supply to the demand.

Money has professedly two uses,—one as a standard of value, and another as a circulating medium. Now, in the system of equitable commerce, money, as at present used, is rejected as being too uncertain and fluctuating in its nature to be a *standard*; and (so far as gold and silver are concerned), as not being convenient as a circulating medium. A critical investigation on these points is gone into in the works of Mr. Warren and Mr. Andrews, the result of which is stated to be, first,—that the product of gold, and for the same reason silver, is quite unfit for our purpose, which is the selection of a staple species of labour with which to compare other labour, while it is shown that corn or wheat does fulfil the required conditions, and, secondly, that paper is just suited as a circulating medium, provided it can be made to rest upon a proper basis, and represent what *ought* to be represented by a circulating medium.

"Now what is it which *ought* to be represented by a circulating medium? Clearly, it is *price*—the price of commodities. The pledge or promise should be exactly equivalent to, as it stands in the place of, the commodity or commodities

to be given hereafter. These commodities, which the paper stands in the place of, are the *price* of what was received. The equitable limit of price it is contended is the *cost* of the articles received. The promise is, therefore, rightly the equivalent of, or goes to the extent of, the *cost* of the articles received. But the *cost* of an article is, we have seen, the *labour* there is in it, *rightly measured*. Every issue of the circulating medium should therefore be a representative of, or pledge for, a certain amount of human labour, or for some commodity which has in it an equal amount of human labour; and to avoid all question about what commodity shall be substituted, it is proper that a staple or standard article, the cost of which all agree upon, should be selected."

"The first point," says Mr. Andrews, "is to obtain a standard for a single locality, after which it is quite easy to adjust the standard of other localities to it. Agricultural labour is first selected, because it is the great staple branch of human industry. The most staple article of agricultural product is, then, taken, which for America, and especially for the great valley of the Mississippi, is Indian-corn. In another country it may be wheat, or something else, although Indian corn, wherever it is produced, will be found to have more of the appropriate qualities for a standard than any other article whatsoever, being more invariable in quality, more uniform in the amount produced by the same amount of labour in a given locality, and more uniform in the extent of the demand than any other article. At a given locality, or, as I have stated, at a great variety of localities in the western states, the standard product of Indian-corn is twenty pounds to the hour's labour, the measurement by pounds being also more inflexible or less variant than that by bulk. If, then, in some other locality, as, for example, New England, the product of an hour's labour devoted to raising corn is only ten pounds of corn, the equivalent of the standard hour's labour *there* will be ten pounds of corn, while in the west it will be twenty pounds. It is the hour's labour, in that species of agriculture, which is therefore the actual unit of comparison, of which the product, whatever it may be, is the local representative. And, in the same manner, in another country wheat may be the standard, as, for example, in England, and may be reckoned at ten pounds to the hour, or whatever is found by trial to be the fact. The reduction of the standard of one locality to that of another, will then be no more difficult than the reduction of different currencies to one value, as now practised."

There is an absolute necessity for some standard of *cost*, and it is not a question of principle but of expediency what article is adopted. It is the same necessity which is recognized at present for a standard of *value*, which is sought for, and by some persons erroneously supposed to be found in money.

Now, if an exchange could be always made and completed on the spot, each party giving and receiving an equivalent in labour or the product of labour, the whole problem of exchanges would be solved by this simple method, and there would be no necessity for a circulating medium, or for anything to perform the part which is performed by money in our existing commerce. But such is not the case. Ordinarily the exchange is only partially completed on the spot, the

remaining part *waiting to be completed at some future time*, by the performance of an equivalent amount of labour, or the products or commodities having in them an equivalent amount of labour.

In such a case as that just stated, it is proper that the party who does not make his part of the exchange on the spot, should give *an evidence of his obligation to do so at some future time*, whenever called upon—and this is the origin of what is called the labour note, which is the form assumed by “Equitable Money,” the fourth among the elements of the solution of the problem of society. The party who remains indebted to the other gives his own note, *provided the other consents to receive it*, for an equivalent amount of his own labour, or else of the standard commodity—say so many pounds of corn, specifying in the note the kind of labour, and the alternative. As it may happen that the party receiving the labour note may not require the labour itself, or that it may be inconvenient for the party promising to perform it when it is wanted, it is provided that the obligation may be discharged, at the option of the party giving the note, in the standard commodity instead. On the other hand, although the party receiving the note may not want the labour himself, yet some person with whom he deals may want it, and hence he can pass the note to a third party who is willing to receive it for an equivalent amount of labour, or products, received from him. In this manner the labour note begins to circulate from one to another, and the aggregate of labour notes in circulation in a neighbourhood constitutes the neighbourhood’s circulating medium, dispensing, so far as this equitable commerce extends, with money altogether, or, rather, introducing a *new species of paper-money, based solely on individual responsibility*.

The use of the labour note is not strictly a *principle of equity*, but partakes more of the nature of a contrivance than any other feature of the system of equitable commerce; but yet it seems to be a necessary instrument to be employed in the practical working of the system. The *theory* of equity is complete without it, but the necessity for its use arises from the practical fact that exchanges cannot in every case be completed on the spot. Hence a circulating medium of some sort is indispensable; and in order that the system may remain throughout an equitable one, in practice as well as in theory, the circulating medium must be based *on equivalents of labour or cost between individuals*.

The features of the labour note are peculiar, and the points of difference between it and ordinary money are numerous and far more important than at first sight appears. They are as follows:—

Its cheapness and abundance.

Being based on individual credit it makes every man his own banker.

It combines the properties of a circulating medium, and a means of credit.

It represents an ascertained and definite amount of labour or property, which ordinary money does not.

I have no time to amplify on these several heads, but for further information must refer my hearers to the works which have been published upon the subject.

I come now to the consideration of the fifth and last principle in "Equitable Commerce," which is "*the adaptation of the supply to the demand.*"

Treating of this part of his subject, Mr. Warren says:—"In society where even the first elements of order had made their way to the intellects of men, there would be some point at which all would continually make known their wants, as far as they could anticipate them, and put them in a position to be supplied; and all who wanted employment would know where to look for it, and the *supply could be adapted to the demand.* We should not then have *all* the flour carried out of the country where it was raised, so that none could be had (as at this moment while I am writing) and carried a thousand miles in anticipation of higher prices. This rush of flour has "*exceeded the demand*"—"prices have fallen"—twelve hundred barrels have spoiled in one man's hands, and two thousand barrels are on their way back to the place of production! where, after having been stored, and booked, and drayed, and shipped to New Orleans, and there unshipped, and drayed, and stored, and booked and waiting for a *demand*, it is again drayed, and shipped, and brought back to be unshipped, drayed, and stored, and booked, and sold, half spoiled, to its original producers, for all its first cost, with all these expenses added, and as much more as the holders "can get." This is the *economy* of our present profit-making commerce.

"The adaptation of the *supply to the demand*, although it is continually governing the bodies of men, seems never to have made its way into their intellects, or they would have made it the governing principle of their arrangements. It is this which prompts almost every action of life, not only of men, but other animals—insects— all animated nature. All man's pursuits originate in his efforts to supply some of his wants, either physical mental, or moral; even our intellectual commerce is unconsciously governed by this great principle, whenever it is harmonious and beneficial; and it is discordant and depreciating when it is not so regulated. Any answer to a question is but a supply to a demand. Advice, *when wanted*, is acceptable, but never otherwise—COMMANDS are never in this order, and produce nothing but disorder. The sovereignty of the individual must correct this."

Mr. Andrews contends that "there is no reason in the nature of the case why there should not be as accurate a knowledge in the community of the statistics of supply and demand, as there is of the rise and fall of the tides, nor why that knowledge should not be applied to secure a minute, punctual, and accurate distribution of products over the face of the earth, according to the wants of various countries, neighbourhoods and individuals. *The supposed excess of labour is no more an excess than congestion is an excess of blood in the human system.* The scarcity of the circulating medium which is now in use, and which is requisite for the interchange of commodities, is regarded by those who have studied this subject profoundly as the principal difficulty in the way of

such an adjustment, but that scarcity itself is only a specific form and instance of the general want of adaptation of supply to demand, which extends far beyond all questions of currency—the supply of circulating medium being unequal to the demand for it, owing to the expensiveness of the substances selected for such a medium, and their consequent total unfitness for the purpose.

It follows from what has been said, that appropriate arrangements for the adaptation of supply to demand are a *sine quâ non* of a true social order. But the existence of such arrangements is an impossibility in the midst of the prevalence of speculation. But speculation has always existed, and is inherent in the present commercial system, and consequently no adequate adjustment of supply to demand has ever been had, or can ever be had, while that system remains in operation. It is the business of speculation, and hence of the whole mercantile profession, to confuse and becloud the knowledge of the community upon this very vital point of their interests, and to derange such natural adjustment as might otherwise grow up, even in the absence of full knowledge on the subject—to create the belief that there is excess or deficiency when there is none, and to cause such excess or deficiency, in fact, when there would otherwise be none, in order to buy cheap and sell dear. Speculation is not only the vital element of the existing system of commerce, but it will always exist upon any basis of exchange short of the cost principle, and this extinguishes speculation.

I have now finished my sketch of the principles of “Equitable Commerce,” and I wish to draw attention to the fact as vouched by their discoverer, Mr. Warren, and their expounder, Mr. Andrews, that there is no one of this circle of principles which has not been patiently, repeatedly, and successfully applied in practice, in a variety of modes, during the last eight-and-twenty years, and long before it was announced in theory—a point in which, it is thought, these principles differ materially from all the numerous speculations upon social subjects to which the attention of the public has been heretofore solicited.

An integral view of the connections of the different parts of this system of principles can only be a final result of a thorough familiarity with their detailed applications and practical effects. It is averred, with great emphasis, that there exists so intimate a relation between them, that if any one of them is omitted, it is impossible to work out the proposed results. The others will remain true, but any one of them, or any four of them, are wholly inadequate to the solution.

In conclusion, allow me to say that time has not permitted me to give more than the faintest glimpse of a subject which I deem of the greatest importance to the human family. I have ventured thus much, however, in the hope of exciting sufficient interest to induce some of the acute and inquiring minds among my auditors to procure the very few and uncostly works which have been published on the subject,* and make it, as I am doing, a study. I do not profess to be able to

* 1. “THE SCIENCE OF SOCIETY, in two parts. Part I.—The true constitution of Government in the sovereignty of the Individual as the final development of

defend all the principles enunciated, although after considerable attention, and with a mind prepossessed against some of them, I confess I should find it difficult to *confute any*.

In the language of Mr. Andrews,—the very able expositor of the system,—when alluding more especially to “Cost as the limit of Price,”—“A thousand objections will occur which it is impossible to remove at the time of stating the general outline. It will be perceived by the acute intellect that a principle is here broached which is absolutely revolutionary of all existing commerce. Perhaps a few minds may follow it out at once into its consequences far enough to perceive that it promises the most magnificent results in the equal distribution of wealth proportioned to industry—the abolition of pauperism—general security of condition instead of continual bankruptcy or poverty—universal co-operation—the general prevalence of commercial honour and honesty, and in ten thousand harmonizing and beneficent effects, morally and religiously. The larger class of persons, however, will require that each particular detail shall be traced out and defined; and the mass of mankind will only understand the subject upon the basis of practical illustration. Hence the necessity that the practice go along with the theory, a method which has been generally adopted and pursued, and of the results of which the public will be from time to time sufficiently advised.”

Protestantism, Democracy, and Socialism. Part II.—Cost the limit of Price, a scientific measure of honesty in trade, as one of the fundamental principles in the solution of the social problem By Stephen Pearl Andrews.” Published by Fowler and Wells, New York. Price, in cloth, \$1.

2. “EQUITABLE COMMERCE. A new development of principles for the harmonious adjustment and regulation of the pecuniary, intellectual, and moral inter. course of mankind, proposed as elements of new society. By Josiah Warren.” Price 25 cents.

3. “PRACTICAL DETAILS IN EQUITABLE COMMERCE.” An interesting account of the actual working of the principles laid down in the former work. Price 25 cents.

4. “The Periodical Letter, on the Principles and Progress of the Equity Movement.” Published monthly, commencing July, 1854. By Josiah Warren. Thompson, P. O., Long Island, New York.

Equitable Villages in America

By Richard Hussey Walsh, Esq., LL.U., late
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[Read before the Section of Statistics and Economic Science at the meeting of the British Association for the Advancement of Science held at Dublin in August, 1857.]

At the meeting of the British Association at Glasgow, the year before last, the subject of equitable villages in America was brought forward by Mr. W. Pare, in a paper which has since been published in London by the Statistical Society.¹ The essay is principally taken up with an account of the views of two American writers, Mr. Josiah Warren, and Mr. Stephen Pearl Andrews, as to what constitutes the welfare of human society, and how it is to be attained,—a social problem which, having solved to their own satisfaction on paper, they proceeded to test by an experiment upon a small number of persons who shared their opinions. This little community took up their abode in Long Island, in the state of New York; and the “equitable village,” as the establishment was generally described, they christened with the distinctive denomination of “Modern Times.” Other “equitable villages,” it was stated, were founded in various parts of the United States upon the same principle as “Modern Times,” and the general impression sought to be conveyed appeared to be that the movement was of a successful and important character.

The views of Messrs. Warren and Andrews appeared to me so extravagant that I should not have thought of them any further were it not that it was announced that they had been adopted in practice for several years, and, apparently, worked successfully, since no intimation to the contrary was thrown out. Under these circumstances, a certain amount of weight would be given to the theory with many who, wanting either leisure or inclination for following out a course of scientific investigation, prefer estimating the amount of reliance to be placed upon this by the supposed agreement or disagreement of the results it indicates with those which actually take place, and repeat continually that “one fact is worth a thousand arguments.” This is a line of proceeding which would not be so objectionable as it is if the alleged fact were always a real one, and were it not also that the habit of relying solely on an *experimentum crucis* confirms many in an aversion to taking the trouble of exerting their reasoning faculties. The consequence is that for want of exercise these fail to acquire acuteness; while had they been rendered keen by practice they might frequently

¹ Journal of the Statistical Society, June, 1856.

have afforded a ready clue to the result, when serious, perhaps insurmountable difficulties prevented us from discovering how the fact actually stood.

It is not my intention to enter upon a history of the minute and perplexing details of the system supported by Messrs. Warren and Andrews. Though I can safely join the author of the paper read at Glasgow in the assertion that "I do not profess to be able to defend all the principles enunciated;" yet I cannot adopt in any instance his statement regarding himself, and say that "I should find it difficult to confute any." On the contrary, the principles in general appear so unsound, and the precepts so mischievous, as to be difficult of confutation on no other grounds than those on which it is hard to encounter a person in controversy who denies that one and one make two. I shall, therefore, not enter into the details of the system, but content myself with furnishing one example of the grounds on which I was first induced to form an unfavourable conclusion respecting it.

One of the principles by which it is proposed to solve the social problem of the attainment of the *summum bonum* is that involved in the dogma that "cost should be the limit of price,"—a principle interpreted as meaning that individuals should exchange their goods in proportion to the labour expended in their acquisition, and that if they act otherwise, their conduct amounts to extortion. Thus when persons, suppose corn-dealers, ask a higher price than usual for food in time of scarcity, more than is sufficient to defray the cost of production, they stand condemned as practising extortion according to the cost principle, and their conduct is likened by Messrs. Warren and Andrews to that of a wheelwright who should ask a great deal more than usual for repairing a waggon broken down on the road, at a distance from any other artificer, if he knew that the owner, by missing the ship for which the waggon-load was destined, would be a heavy loser were the repairs not executed at once. In this comparison we find two things confounded which are altogether different both in origin and result. In the case of a scarcity of food, a rise of price is the consequence of there being less than usual of the article to be sold; the consequence, in fact, of an utter inability on the part of the dealers to supply as much food as usual. But the rise in the other case is unaccompanied by any unusual difficulty in rendering the service required, and is solely a speculation on the peculiar inconvenience which the waggon-owner would undergo if the repairs he required were not executed. So much for the difference in origin between a legitimate rise of price and extortion; now as to the difference in effect. If the rise of price did not take place in the first instance, the deficient supply of food would be consumed at the usual rate, and so come to an end before the new supplies were available, and thus entail starvation on the community. But by raising the price in time, this consequence is averted, the consumers being compelled by the dearness of food to put themselves on short commons, and so husband the deficient supply as to make it last the entire season.

Now turn to the case of the wheelwright, and it will be seen that here the supposed rise of price effects no useful purpose. The only result is that the

waggon-owner pays more than usual for the repairs, and the wheelwright gains in proportion at the expense of his customer; and his extra gain and the customer's loss are but the result of the peculiar advantage acquired for the moment by the one owing to the unexpected misfortune of the other.

If the public stigmatize such conduct by the appellation of extortion, I can see no grounds for questioning their vote of censure; yet according to Messrs. Warren and Andrews the rise of price is to be condemned as much in the one case as the other, and "equitable commerce" prohibits alike the dealer from selling his produce any dearer than usual, merely because it happens to be scarce,² and the wheelwright from charging more than usual just because his customer happens to be in difficulties. Those who can fall into such a glaring error regarding one of the admirable contrivances by which society is protected against the worst effects of scarcity, afford a most decisive proof of their incompetency as guides to human material welfare.

So much for the "cost principle" of the founders of the American Equitable Villages. Their doctrines as to "individuality," the "sovereignty of every individual," "adaptation of the supply to the demand," and "a circulating medium founded on the cost of labour, are as unsound in principle as they have been found mischievous in practice. It is easy to imagine the disturbed state of a community in which the "sovereignty of every individual" is admitted; the views of the several sovereigns often pointing to objects unattainable simultaneously, and each of the kings being unwilling to sacrifice his own prerogative in favour of that of any of his royal neighbours. And great as is the confusion introduced into the political world by the "sovereignty principle," perhaps even yet more would be communicated to the commercial world by the proposed circulating medium. This currency is based on the notion that the function of money is to create wealth, not to exchange and measure it; and any attempt to carry it out must be looked upon as just as foolish as an endeavour to cool the tropics, or warm the arctic regions, by making a thermometer to point to 50° instead of 100° or zero.

The proceeding affords an example of the several circumstances which originally induced me to believe that "Modern Times" and similar institutions could not prove successful. I was not then aware that their career had never been otherwise than struggling and that "Modern Times" had turned out a failure about two years before the attention of the British Association had been directed to it at Glasgow as an experiment under trial. This information was obtained in reply to some questions I circulated respecting "Modern Times," and

² Strictly speaking, even on the cost principle, a rise of price is legitimate in time of scarcity, the supply being obtained at a greater relative cost than usual, in the proportion of a deficient to an average crop. But it is known by experience that the rise of price which actually takes place on such occasions, and which, moreover, must take place in order that consumption be kept within the bounds of supply, is far greater than in the proportion of the deficiency.

to which, after some time, through the kind assistance of a friend, answers were furnished by Mr. John Metcalfe,³ one of the earliest settlers in that village. Letters from Henry Edger, also one of the inhabitants of "Modern Times," and from the Rev. Mr. Channing, a nephew of the celebrated author of the same name, have likewise been communicated to me.⁴ While all agree as to the result of the experiment, there is some little disagreement as to the opinions entertained of one of the founders of the system; Mr. Channing, who seems to have known Mr. Warren, but at a distance from the scene of his labours, expressing himself more favourably with respect to him than Mr. Edger, who had the benefit, if benefit it can be called, of a closer personal acquaintance.

It appears from Mr. Metcalfe's account that some of the inhabitants have grown ashamed even of the name of their village, and sign their address by that of the neighbouring railway station, Thomson. And most will be of opinion their scruples are not ill-founded; for from an observation made in the course of the answer to a question as to the progress of "Modern Times," we learn that unsettled notions respecting the domestic relations rendered it difficult to divide the population into families.

With respect to the chief object of inquiry, that relating to the success or otherwise of the experiment adopted to test the soundness of Mr. Warren's social principles, Mr. Metcalfe announces a complete failure; a failure, moreover, which it appears had led to the entire abandonment of the experiment, as before stated, about two years before it had been brought under the notice of the British Association as one in course of being tested. In another village, appropriately termed "Utopia," (the only one besides, according to Mr. Metcalfe, in which it was attempted to carry out Mr. Warren's views,) the result was not dissimilar; and the inhabitants, like those of "Modern Times," seem to have grown ashamed of the folly of their leaders, and conformed themselves again to the usages of civilized society.

In dealing with social questions there are two faults of an opposite character, which often are committed. Some oppose everything new that is brought forward, merely because it is different from what they have been accustomed to previously. This weakness happily is dying out among enlightened nations, and it is no longer thought reasonable to reject a project, theoretically sustainable, only because the wisdom of our ancestors affords no precedent. But often we escape from one danger only to fall into another, and at present social reformers more frequently run into the opposite extreme.

They are too ready to assume that whatever is sanctioned by ancient usage or conviction must therefore in all probability be wrong; whilst they are prone to adopt any new theory brought forward, provided it be sufficiently at variance with received notions of social economy or morality.

³ See Appendix A.

⁴ See Appendix B.

APPENDIX A⁵

[Introductory statement, and questions forwarded in circular inquiring for information respecting "Equitable Villages in America;" with replies, dated 16th January, 1856, by Mr. John Metcalfe, an inhabitant of one of the villages, "Modern Times."]

About five years ago there was founded, in Long Island, State of New York, what is called an "Equitable Village,"—an institution embodying a new form of society stated to have been invented by Mr. Josiah Warren, and now sought to be reduced to practice. In other parts of the United States, it is alleged, there are several more "Equitable Villages" scattered up and down. That at Long Island is known by the distinctive title of "Modern Times."

Q. (1.) Is this last named village still in existence?

A. The village of Modern Times still exists, and is recorded by that name, although some of its inhabitants suppress it, signing their address merely Thomson, the name of the adjacent railway station.

It is now six years since first I commenced as pioneer in the building operations upon the wild lands, which to all appearance had never before been disturbed.

Q. (2.) If still in existence, how is the village of Modern Times progressing?

A. The village progressed for about three years to the number of about seventy-five individuals. I do not state the number of families, because the unsettled notions prevailing on that subject at that time rendered it difficult to ascertain which were really families. Since that time the population has rather decreased.

As to the principles of Josiah Warren, which this village was expressly designed to carry into practice, they have for the last two years been wholly abandoned by all the inhabitants.

Q. (3.) If Modern Times is not in operation as an Equitable Village, what are the particulars relating to its failure?

A. The particulars of this failure would form quite a history; but it does not seem to me desirable to preserve or recall them. It was the anarchical ideas of its founders which caused its failure. A full opportunity was offered to test these principles, which have been stated to be the invention of Josiah Warren, although he does not lay claim to that, but only to the discovery of them.

Q. (4.) Can answers to questions corresponding to the preceding three be supplied concerning other "Equitable Villages"?

A. There is but one other village which attempted to carry out Mr. Warren's views. This was called Utopia, situated near Cincinnati; but the inhabitants do not desire any publicity; indeed the name of the village was represented as being

⁵ Vide page 163, supra.

“Trialville” at one time. I have heard nothing of this village for some years. I do not know that there is now anything peculiar to distinguish it from any other village.

The other attempts to apply this principle in storekeeping, &c., have all failed.

APPENDIX B⁶

[Extracts from letters on the subject of "Modern Times" from the Rev. Mr. Channing, and Mr. Henry Edger.]

In justice to Mr. Warren I publish an extract from the Rev. Mr. Channing's letter. The writer, a nephew of the celebrated Dr. Channing, dates from Liverpool, October 8th, 1856; and after regretting his inability to furnish the information sought for respecting Modern Times, proceeds as follows:—

"Josiah Warren is a very clever enterprising man, much in earnest in his schemes, and entirely convinced that he knows how to hang the world on its axle, adjust the gearing, put on steam, and turn out model men to order. But as I always have had a notion that society is a living organization and not a machine, however cunningly contrived, I have never taken much interest in his movements. My impression is that 'Modern Times' was broken up by what is called the 'Free-love' agitation,' but I do not recall the facts."

Mr. Edger's letter is not very favourable to the founders of "Modern Times," and it derives weight from the fact that he writes from the scene of action, with all that intimate knowledge, both of the men and their system, which he has acquired by dearly bought experience. The letter is dated February 16th, 1857, and in the following extract some interesting information is conveyed concerning the progress of the movement, and the antecedents of the leaders:—

[Extract from letter of Henry Edger, Esq., of "Modern Times," dated 16th February, 1857, Long Island.]

"My socialism was hardly of the kind to be taken in with Josiah Warren's quackery; but it was not he alone who founded this 'Modern Times' village. Stephen Pearl Andrews, a literary adventurer of New York city, a man who I think always sincerely believes himself just on the eve of accomplishing something great, stumbled over this Warren—quite an ignorant mechanic by-the-bye, and but a middling workman into the bargain—and after some conversation with him, took it into his head that he had at last found his long-expected mare's nest.

"The manner in which Andrews works out his scheme, 'demonstrating' (as he calls it) the practical results of 'equity,' developing all the 'economics of the larger scale'—the 'unitary household,' the association 'baby world,' and 'integral education,' and everything else that socialists and 'associationists' have ever dreamed of—flows naturally and easily out of the mere operation of the 'cost principle' and the 'labour-note,' and is certainly ingenious. To a philosophical

⁶ Vide page 163, supra.

mind it is at once evidently empirical, but I was by no means philosophical; and although I could see many difficulties I was ready to take them for granted on the faith of the easy solution Andrews assured me he was going to work out. So I came down here, (in the spring of 1851,) bought an acre of land and set to work within a month of my arrival at New York.

“For my first industrial mistakes I do not at all hold Andrews and ‘Modern Times’ responsible. But it was not long before this new apostle and leader quenched even my veneration, which, I am sure, you will be very ready to believe was quite sufficient to satisfy all reasonable demands, by his blended dogmatism and incapacity. For his theoretical errors and moral failings he must be responsible, and ‘Modern Times’ and ‘equitable commerce’ must certainly be added to the long list of Mr. Andrew’s total failures. I must tell you more about this ‘Modern Times’ hereafter, if necessary. For the present probably what my friend John Metcalfe, the first settler here, has said in the enclosed note may suffice with the above for your friend’s information.

“Even in our small population of less than a hundred, the hostile element, new and old, consisting of settlers altogether external to the corresponding social movement, was such that at a recent local election the ‘Modern Times’ part was decidedly out-voted. It expects some new recruits in the coming spring, but its very principle of ‘individualism’ necessarily paralyses it, so that it takes but the smallest external resistance to utterly rout it.

“The absence of all organization, the fact that each ‘individual’ has had to come to ‘Modern Times’ on his own responsibility, and settle himself here as he best could, prevents any open dislocation of the movement, such as it is. There is nothing to be ‘broken up,’ come what may. There could in any case be only a more or less gradual change in the character of the population. During the first few years the population was constantly shifting. The greater proportion, ten to one, of all the persons ever drawn towards ‘Modern Times’ have, sooner or later, given up their attempt in despair, discouraged and driven back by the disheartening material difficulties connected in part with the peculiar locality, but principally with the chimerical character of their ideas.”



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