

SYSTEM OF ECONOMICAL CONTRADICTIONS:

OR,

THE PHILOSOPHY OF MISERY

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TRANSLATED FROM THE FRENCH BY THE EDITOR.

CHAPTER I.

OF THE ECONOMIC SCIENCE.

§1.--*Opposition between FACT and RIGHT in social economy.*

I AFFIRM the REALITY of an economic science.

This proposition, which few economists now dare to question, is the boldest, perhaps, that a philosopher ever maintained; and the inquiries to follow will prove, I hope, that its demonstration will one day be deemed the greatest effort of the human mind.

I affirm, on the other hand, the *absolute certainty* as well as the *progressive* nature of economic science, of all the sciences in my opinion the most comprehensive, the purest, the best supported by facts: a new proposition, which alters this science into logic or metaphysics *in concreto*, and radically changes the basis of ancient philosophy. In other words, economic science is to me the objective form and realization of metaphysics; it is metaphysics in action, metaphysics projected on the vanishing plane of time; and whoever studies the laws of labor and exchange is truly and specially a metaphysician.

After what I have said in the introduction, there is nothing in this which should surprise any one. The labor of man continues the work of God, who, in creating all beings, did but externally realize the eternal laws of reason. Economic science is, then, necessarily and at once a theory of ideas, a natural theology, and a psychology. This general outline alone would have sufficed to explain why, having to treat of economic matters, I was obliged previously to suppose the existence of God, and by what title, I, a simple economist, aspire to solve the problem of certainty.

But I hasten to say that I do not regard as a science the incoherent *ensemble* of theories to which the name *political economy* has been officially given for almost a hundred years, and which, in spite of the etymology of the name, is after all but the code, or immemorial routine, of property. These theories offer us only the rudiments, or first section, of economic science; and that is why, like property, they are all contradictory of each other, and half the time inapplicable. The proof of this assertion, which is, in one sense, a denial of political economy as handed down to us by Adam Smith, Ricardo, Malthus, and J. B. Say, and as we have known it for half a century, will be especially developed in this treatise.

The inadequacy of political economy has at all times impressed thoughtful minds, who, too fond of their dreams for practical investigation, and confining themselves to the estimation of apparent results, have constituted from the beginning a party of opposition to the *statu quo*, and have devoted themselves to persevering and systematic ridicule of civilization and its customs. Property, on the other hand, the basis of all social institutions, has never lacked zealous defenders, who, proud to be called *practical*, have exchanged blow for blow with the traducers of political economy, and have labored with a courageous and often skilful hand to strengthen the edifice which general prejudice and individual liberty have erected in concert. The controversy between conservatives and reformers, still pending, finds its counterpart, in the history of philosophy, in the quarrel between realists and nominalists; it is almost useless to add that, on both sides, right and wrong are equal, and that the rivalry, narrowness,

and intolerance of opinions have been the sole cause of the misunderstanding.

Thus two powers are contending for the government of the world, and cursing each other with the fervor of two hostile religions: political economy, or tradition; and socialism, or utopia.

What is, then, in more explicit terms, political economy? What is socialism?

Political economy is a collection of the observations thus far made in regard to the phenomena of the production and distribution of wealth; that is, in regard to the most common, most spontaneous, and therefore most genuine, forms of labor and exchange.

The economists have classified these observations as far as they were able; they have described the phenomena, and ascertained their contingencies and relations; they have observed in them, in many cases, a quality of necessity which has given them the name of *laws*; and this *ensemble* of information, gathered from the simplest manifestations of society, constitutes political economy.

Political economy is, therefore, the natural history of the most apparent and most universally accredited customs, traditions, practices, and methods of humanity in all that concerns the production and distribution of wealth. By this title, political economy considers itself legitimate in *fact* and in *right*: in fact, because the phenomena which it studies are constant, spontaneous, and universal; in right, because these phenomena rest on the authority of the human race, the strongest authority possible. Consequently, political economy calls itself a *science*; that is, a rational and systematic knowledge of regular and necessary facts.

Socialism, which, like the god Vishnu, ever dying and ever returning to life, has experienced within a score of years its tenthousandth incarnation in the persons of five or six revelators,—socialism affirms the irregularity of the present constitution of society, and, consequently, of all its previous forms. It asserts, and proves, that the order of civilization is artificial, contradictory, inadequate; that it engenders oppression, misery, and crime; it denounces, not to say calumniates, the whole past of social

life, and pushes on with all its might to a reformation of morals and institutions.

Socialism concludes by declaring political economy a false and sophistical hypothesis, devised to enable the few to exploit the many; and, applying the maxim *A fructibus cognoscetis*, it ends with a demonstration of the impotence and emptiness of political economy by the list of human calamities for which it makes it responsible.

But if political economy is false, jurisprudence, which in all countries is the science of law and custom, is false also; since, founded on the distinction of thine and mine, it supposes the legitimacy of the facts described and classified by political economy. The theories of public and international law, with all the varieties of representative government, are also false, since they rest on the principle of individual appropriation and the absolute sovereignty of wills.

All these consequences socialism accepts. To it, political economy, regarded by many as the physiology of wealth, is but the organization of robbery and poverty; just as jurisprudence, honored by legists with the name of written reason, is, in its eyes, but a compilation of the rubrics of legal and official spoliation,—in a word, of property. Considered in their relations, these two pretended sciences, political economy and law, form, in the opinion of socialism, the complete theory of iniquity and discord. Passing then from negation to affirmation, socialism opposes the principle of property with that of association, and makes vigorous efforts to reconstruct social economy from top to bottom; that is, to establish a new code, a new political system, with institutions and morals diametrically opposed to the ancient forms.

Thus the line of demarcation between socialism and political economy is fixed, and the hostility flagrant.

Political economy tends toward the glorification of selfishness; socialism favors the exaltation of communism.

The economists, saving a few violations of their principles, for which they deem it their duty to blame governments, are optimists with regard to accomplished facts; the socialists with regard to facts to be accomplished.

The first affirm that that which ought to be *is*; the second,

that that which ought to be *is not*. Consequently, while the first are defenders of religion, authority, and the other principles contemporary with, and conservative of, property,—although their criticism, based solely on reason, deals frequent blows at their own prejudices,—the second reject authority and faith, and appeal exclusively to science,—although a certain religiosity, utterly illiberal, and an unscientific disdain for facts, are always the most obvious characteristics of their doctrines.

For the rest, neither party ever ceases to accuse the other of incapacity and sterility.

The socialists ask their opponents to account for the inequality of conditions, for those commercial debaucheries in which monopoly and competition, in monstrous union, perpetually give birth to luxury and misery; they reproach economic theories, always modeled after the past, with leaving the future hopeless; in short, they point to the *régime* of property as a horrible hallucination, against which humanity has protested and struggled for four thousand years.

The economists, on their side, defy socialists to produce a system in which property, competition, and political organization can be dispensed with; they prove, with documents in hand, that all reformatory projects have ever been nothing but rhapsodies of fragments borrowed from the very system that socialism sneers at,—plagiarisms, in a word, of political economy, outside of which socialism is incapable of conceiving and formulating an idea.

Every day sees the proofs in this grave suit accumulating, and the question becoming confused.

While society has traveled and stumbled, suffered and thrived, in pursuing the economic routine, the socialists, since Pythagoras, Orpheus, and the unfathomable Hermes, have labored to establish their dogma in opposition to political economy. A few attempts at association in accordance with their views have even been made here and there: but as yet these exceptional undertakings, lost in the ocean of property, have been without result; and, as if destiny had resolved to exhaust the economic hypothesis before attacking the socialistic utopia, the reformatory party is obliged to content itself with pocketing the sarcasms of its adversaries while waiting for its own turn to come.

This, then, is the state of the cause: socialism incessantly denounces the crimes of civilization, verifies daily the powerlessness of political economy to satisfy the harmonic attractions of man, and presents petition after petition; political economy fills its brief with socialistic systems, all of which, one after another, pass away and die, despised by common sense. The persistence of evil nourishes the complaint of the one, while the constant succession of reformatory checks feeds the malicious irony of the other. When will judgment be given? The tribunal is deserted; meanwhile, political economy improves its opportunities, and, without furnishing bail, continues to lord it over the world; *possideo quia possideo*.

If we descend from the sphere of ideas to the realities of the world, the antagonism will appear still more grave and threatening.

When, in these recent years, socialism, instigated by prolonged convulsions, made its fantastic appearance in our midst, men whom all controversy had found until then indifferent and lukewarm went back in fright to monarchical and religious ideas; democracy, which was charged with being developed at last to its ultimate, was cursed and driven back. This accusation of the conservatives against the democrats was a libel. Democracy is by nature as hostile to the socialistic idea as incapable of filling the place of royalty, against which it is its destiny endlessly to conspire. This soon became evident, and we are witnesses of it daily in the professions of Christian and proprietary faith by democratic publicists, whose abandonment by the people began at that moment.

On the other hand, philosophy proves no less distinct from socialism, no less hostile to it, than politics and religion.

For just as in politics the principle of democracy is the sovereignty of numbers, and that of monarchy the sovereignty of the prince; just as likewise in affairs of conscience religion is nothing but submission to a mystical being, called God, and to the priests who represent him; just as finally in the economic world property—that is, exclusive control by the individual of the instruments of labor—is the point of departure of every theory,—so philosophy, in basing itself upon the *a priori* assumptions of reason, is inevitably led to attribute to the *me* alone

the generation and autocracy of ideas, and to deny the metaphysical value of experience; that is, universally to substitute, for the objective law, absolutism, despotism.

Now a doctrine which, springing up suddenly in the heart of society, without antecedents and without ancestors, rejected from every department of conscience and society the arbitrary principle, in order to substitute as sole truth the relation of facts; which broke with tradition, and consented to make use of the past only as a point from which to launch forth into the future,—such a doctrine could not fail to stir up against it the established *AUTHORITIES*; and we can see to-day how, in spite of their internal discords, the said *AUTHORITIES*, which are but one, combine to fight the monster that is ready to swallow them.

To the workingmen who complain of the insufficiency of wages and the uncertainty of labor, political economy opposes the liberty of commerce; to the citizens who are seeking for the conditions of liberty and order, the ideologists respond with representative systems; to the tender souls who, having lost their ancient faith, ask the reason and end of their existence, religion proposes the unfathomable secrets of Providence, and philosophy holds doubt in reserve. Subterfuges always; complete ideas, in which heart and mind find rest, never! Socialism cries that it is time to set sail for the mainland, and to enter port: but, say the anti-socialists, there is no port; humanity sails onward in God's care, under the command of priests, philosophers, orators, economists, and our circumnavigation is eternal.

Thus society finds itself, at its origin, divided into two great parties: the one traditional and essentially hierarchical, which, according to the object it is considering, calls itself by turns royalty or democracy, philosophy or religion, in short, property; the other socialism, which, coming to life at every crisis of civilization, proclaims itself preëminently *anarchical* and *atheistic*; that is, rebellious against all authority, human and divine.

Now modern civilization has demonstrated that in a conflict of this nature the truth is found, not in the exclusion of one of the opposites, but wholly and solely in the reconciliation of the two; it is, I say, a fact of science that every antagonism, whether in Nature or in ideas, is resolvable in a more general fact or in a complex formula, which harmonizes the opposing factors by ab-

sorbing them, so to speak, in each other. Can we not, then, men of common sense, while awaiting the solution which the future will undoubtedly bring forth, prepare ourselves for this great transition by an analysis of the struggling powers, as well as their positive and negative qualities? Such a work, performed with accuracy and conscientiousness, even though it should not lead us directly to the solution, would have at least the inestimable advantage of revealing to us the conditions of the problem, and thereby putting us on our guard against every form of utopia.

What is there, then, in political economy that is necessary and true; whither does it tend; what are its powers; what are its wishes? It is this which I propose to determine in this work. What is the value of socialism? The same investigation will answer this question also.

For since, after all, socialism and political economy pursue the same end,—namely, liberty, order, and well-being among men,—it is evident that the conditions to be fulfilled—in other words, the difficulties to be overcome—to attain this end, are also the same for both, and that it remains only to examine the methods attempted or proposed by either party. But since, moreover, it has been given thus far to political economy alone to translate its ideas into acts, while socialism has scarcely done more than indulge in perpetual satire, it is no less clear that, in judging the works of economy according to their merit, we at the same time shall reduce to its just value the invective of the socialists: so that our criticism, though apparently special, will lead to absolute and definitive conclusions.

This it is necessary to make clearer by a few examples, before entering fully upon the examination of political economy.

§2.—*Inadequacy of theories and criticisms.*

We will record first an important observation: the contending parties agree in acknowledging a common authority, whose support each claims,—SCIENCE.

Plato, a utopian, organized his ideal republic in the name of science, which, through modesty and euphemism, he called philosophy. Aristotle, a practical man, refuted the Platonic utopia in the name of the same philosophy. Thus the social war

has continued since Plato and Aristotle. The modern socialists refer all things to science one and indivisible, but without power to agree either as to its content, its limits, or its method; the economists, on their side, affirm that social science in no wise differs from political economy.

It is our first business, then, to ascertain what a science of society must be.

Science, in general, is the logically arranged and systematic knowledge of that which is.

Applying this idea to society, we will say: Social science is the logically arranged and systematic knowledge, not of that which society *has been*, nor of that which it *will be*, but of that which it is in its whole life; that is, in the sum total of its successive manifestations: for there alone can it have reason and system. Social science must include human order, not alone in such or such a period of duration, nor in a few of its elements; but in all its principles and in the totality of its existence: as if social evolution, spread throughout time and space, should find itself suddenly gathered and fixed in a picture which, exhibiting the series of the ages and the sequence of phenomena, revealed their connection and unity. Such must be the science of every living and progressive reality; such social science indisputably is.

It may be, then, that political economy, in spite of its individualistic tendency and its exclusive affirmations, is a constituent part of social science, in which the phenomena that it describes are like the starting-points of a vast triangulation and the elements of an organic and complex whole. From this point of view, the progress of humanity, proceeding from the simple to the complex, would be entirely in harmony with the progress of science; and the conflicting and so often desolating facts, which are to-day the basis and object of political economy, would have to be considered by us as so many special hypotheses, successively realized by humanity in view of a superior hypothesis, whose realization would solve all difficulties, and satisfy socialism without destroying political economy. For, as I said in my introduction, in no case can we admit that humanity, however it expresses itself, is mistaken.

Let us now make this clearer by facts.

The question now most disputed is unquestionably that of the *organization of labor*.

As John the Baptist preached in the desert, *Repent ye*, so the socialists go about proclaiming everywhere this novelty old as the world, *Organize labor*, though never able to tell what, in their opinion, this organization should be. However that may be, the economists have seen that this socialistic clamor was damaging their theories: it was, indeed, a rebuke to them for ignoring that which they ought first to recognize,—labor. They have replied, therefore, to the attack of their adversaries, first by maintaining that labor is organized, that there is no other organization of labor than liberty to produce and exchange, either on one's own personal account, or in association with others,—in which case the course to be pursued has been prescribed by the civil and commercial codes. Then, as this argument served only to make them the laughing-stock of their antagonists, they assumed the offensive; and, showing that the socialists understood nothing at all themselves of this organization that they held up as a scarecrow, they ended by saying that it was but a new socialistic chimera, a word without sense,—an absurdity. The latest writings of the economists are full of these pitiless conclusions.

Nevertheless, it is certain that the phrase *organization of labor* contains as clear and rational a meaning as these that follow: organization of the workshop, organization of the army, organization of police, organization of charity, organization of war. In this respect, the argument of the economists is deplorably irrational. No less certain is it that the organization of labor cannot be a utopia and chimera; for at the moment that labor, the supreme condition of civilization, begins to exist, it follows that it is already submitted to an organization, such as it is, which satisfies the economists, but which the socialists think detestable.

There remains, then, relatively to the proposal to organize labor formulated by socialism, this objection,—that labor is organized. Now this is utterly untenable, since it is notorious that in labor, supply, demand, division, quantity, proportion, price, and security, nothing, absolutely nothing is regulated; on the

contrary, every thing is given up to the caprices of free-will ; that is, to chance.

As for us, guided by the idea that we have formed of social science, we shall affirm, against the socialists and against the economists, not that labor *must be organized*, nor that it *is organized*, but that it *is being organized*.

Labor, we say, is being organized : that is, the process of organization has been going on from the beginning of the world and will continue till the end. Political economy teaches us the primary elements of this organization ; but socialism is right in asserting that, in its present form, the organization is inadequate and transitory ; and the whole mission of science is continually to ascertain, in view of the results obtained and the phenomena in course of development, what innovations can be immediately effected.

Socialism and political economy, then, while waging a burlesque war, pursue in reality the same idea,—the organization of labor.

But both are guilty of disloyalty to science and of mutual calumny, when on the one hand political economy, mistaking for science its scraps of theory, denies the possibility of further progress ; and when socialism, abandoning tradition, aims at reëstablishing society on undiscoverable bases.

Thus socialism is nothing but a profound criticism and continual development of political economy ; and, to apply here the celebrated aphorism of the school, *Nihil est in intellectu, quod non prius fuerit in sensu*, there is nothing in the socialistic hypotheses which is not duplicated in economic practice. On the other hand, political economy is but an impertinent rhapsody, so long as it affirms as absolutely valid the facts collected by Adam Smith and J. B. Say.

Another question, no less disputed than the preceding one, is that of *usury*, or lending at interest.

Usury, or in other words the price of use, is the emolument, of whatever nature, which the proprietor derives from the loan of his property. *Quidquid sorti accrescit usura est*, say the theologians. Usury, the foundation of credit, was one of the first of the means which social spontaneity employed in its work of organization, and whose analysis discloses the profound laws of

civilization. The ancient philosophers and the Fathers of the Church, who must be regarded here as the representatives of socialism in the early centuries of the Christian era, by a singular fallacy,—which arose however from the paucity of economic knowledge in their day,—allowed farm-rent and condemned interest on money, because, as they believed, money was unproductive. They distinguished consequently between the loan of things which are consumed by use—among which they included money—and the loan of things which, without being consumed, yield a product to the user.

The economists had no difficulty in showing, by generalizing the idea of rent, that in the economy of society the action of capital, or its productivity, was the same whether it was consumed in wages or retained the character of an instrument ; that, consequently, it was necessary either to prohibit the rent of land or to allow interest on money, since both were by the same title payment for privilege, indemnity for loan. It required more than fifteen centuries to get this idea accepted, and to reassure the consciences that had been terrified by the anathemas pronounced by Catholicism against usury. But finally the weight of evidence and the general desire favored the usurers : they won the battle against socialism ; and from this legitimization of usury society gained some immense and unquestionable advantages. Under these circumstances socialism, which had tried to generalize the law enacted by Moses for the Israelites alone, *Non faceraberis proximo tuo, sed alieno*, was beaten by an idea which it had accepted from the economic routine,—namely, farm-rent,—elevated into the theory of the productivity of capital.

But the economists in their turn were less fortunate, when they were afterwards called upon to justify farm-rent in itself, and to establish this theory of the product of capital. It may be said that, on this point, they have lost all the advantage they had at first gained against socialism.

Undoubtedly—and I am the first to recognize it—the rent of land, like that of money and all personal and real property, is a spontaneous and universal fact, which has its source in the depths of our nature, and which soon becomes, by its natural development, one of the most potent means of organization. I shall prove even that interest on capital is but the materialization

of the aphorism. *All labor should leave an excess.* But in the face of this theory, or rather this fiction, of the productivity of capital, arises another thesis no less certain, which in these latter days has struck the ablest economists: it is that all value is born of labor, and is composed essentially of wages; in other words, that no wealth has its origin in privilege, or acquires any value except through work; and that, consequently, labor alone is the source of revenue among men. How, then, reconcile the theory of farm-rent or productivity of capital,—a theory confirmed by universal custom, which conservative political economy is forced to accept but cannot justify,—with this other theory which shows that value is normally composed of wages, and which inevitably ends, as we shall demonstrate, in an equality in society between net product and raw product?

The socialists have not wasted the opportunity. Starting with the principle that labor is the source of all income, they began to call the holders of capital to account for their farm-rents and emoluments; and, as the economists won the first victory by generalizing under a common expression farm-rent and usury, so the socialists have taken their revenge by causing the seigniorial rights of capital to vanish before the still more general principle of labor. Property has been demolished from top to bottom: the economists could only keep silent; but, powerless to arrest itself in this new descent, socialism has slipped clear to the farthest boundaries of communistic utopia, and, for want of a practical solution, society is reduced to a position where it can neither justify its tradition, nor commit itself to experiments in which the least mistake would drive it backward several thousand years.

In such a situation what is the mandate of science?

Certainly not to halt in an arbitrary, inconceivable, and impossible *juste milieu*; it is to generalize further, and discover a third principle, a fact, a superior law, which shall explain the fiction of capital and the myth of property, and reconcile them with the theory which makes labor the origin of all wealth. This is what socialism, if it wishes to proceed logically, must undertake. In fact, the theory of the real productivity of labor, and that of the fictitious productivity of capital, are both essentially economical: socialism has endeavored only to show the contra-

dition between them, without regard to experience or logic; for it appears to be as destitute of the one as of the other. Now in law, the litigant who accepts the authority of a title in one particular must accept it in all; it is not allowable to divide the documents and proofs. Had socialism the right to decline the authority of political economy in relation to usury, when it appealed for support to this same authority in relation to the analysis of value? By no means. All that socialism could demand in such a case was, either that political economy should be directed to reconcile its theories, or that it might be itself intrusted with this difficult task.

The more closely we examine these solemn discussions, the more clearly we see that the whole trouble is due to the fact that one of the parties does not wish to see, while the other refuses to advance.

It is a principle of our law that no one can be deprived of his property except for the sake of general utility, and in consideration of a fair indemnity payable in advance.

This principle is eminently an economic one; for, on the one hand, it assumes the right of eminent domain of the citizen expropriated, whose consent, according to the democratic spirit of the social compact, is necessarily presupposed. On the other hand, the indemnity, or the price of the article taken, is fixed, not by the intrinsic value of the article, but by the general law of commerce,—supply and demand; in a word, by opinion. Expropriation in the name of society may be likened to a contract of convenience, agreed to by each with all; not only then must the price be paid, but the convenience also must be paid for: and it is thus, in reality, that the indemnity is estimated. If the Roman legists had seen this analogy, they undoubtedly would have hesitated less over the question of expropriation for the sake of public utility.

Such, then, is the sanction of the social right of expropriation: indemnity.

Now practically, not only is the principle of indemnity not applied in all cases where it ought to be, but it is impossible that it should be so applied. Thus, the law which established railways provided indemnity for the lands to be occupied by the rails; it did nothing for the multitude of industries dependent upon

the previous method of conveyance, whose losses far exceeded the value of the lands whose owners received compensation. Similarly, when the question of indemnifying the manufacturers of beet-root sugar was under consideration, it occurred to no one that the State ought to indemnify also the large number of laborers and employees who earned their livelihood in the beet-root industry, and who were, perhaps, to be reduced to want. Nevertheless, it is certain, according to the idea of capital and the theory of production, that as the possessor of land, whose means of labor is taken from him by the railroad, has a right to be indemnified, so also the manufacturer, whose capital is rendered unproductive by the same railroad, is entitled to indemnification. Why, then, is he not indemnified? Alas! because to indemnify him is impossible. With such a system of justice and impartiality society would be, as a general thing, unable to act, and would return to the fixedness of Roman justice. There must be victims. The principle of indemnity is consequently abandoned; to one or more classes of citizens the State is inevitably bankrupt.

At this point the socialists appear. They charge that the sole object of political economy is to sacrifice the interests of the masses and create privileges; then, finding in the law of expropriation the rudiment of an agrarian law, they suddenly advocate universal expropriation; that is, production and consumption in common.

But here socialism relapses from criticism into utopia, and its incapacity becomes freshly apparent in its contradictions. If the principle of expropriation for the sake of public utility, carried to its logical conclusion, leads to a complete reorganization of society, before commencing the work the character of this new organization must be understood; now socialism, I repeat, has no science save a few bits of physiology and political economy. Further, it is necessary in accordance with the principle of indemnity, if not to compensate citizens, at least to guarantee to them the values which they part with; it is necessary, in short, to insure them against loss. Now, outside of the public fortune, the management of which it demands, where will socialism find security for this same fortune?

It is impossible, in sound and honest logic, to escape this cir-

cle. Consequently the communists, more open in their dealings than certain other sectarians of flowing and pacific ideas, decide the difficulty; and promise, the power once in their hands to expropriate all and indemnify and guarantee none. At bottom, that would be neither unjust nor disloyal. Unfortunately, to burn is not to reply, as the interesting Desmoulins said to Robespierre; and such a discussion ends always in fire and the guillotine. Here, as everywhere, two rights, equally sacred, stand in the presence of each other, the right of the citizen and the right of the State; it is enough to say that there is a superior formula which reconciles the socialistic utopias and the mutilated theories of political economy, and that the problem is to discover it. In this emergency what are the contending parties doing? Nothing. We might say rather that they raise questions only to get an opportunity to redress injuries. What do I say? The questions are not even understood by them; and while the public is considering the sublime problems of society and human destiny, the professors of social science, orthodox and heretics, do not agree on principles. Witness the question which occasioned these inquiries, and which its authors certainly understand no better than its disparagers,—the *relation of profits and wages*.

What! an Academy of economists has offered for competition a question the terms of which it does not understand! How, then, could it have conceived the idea?

Well! I know that my statement is astonishing and incredible; but it is true. Like the theologians, who answer metaphysical problems only by myths and allegories, which always reproduce the problems but never solve them, the economists reply to the questions which they ask only by relating how they were led to ask them: should they conceive that it was possible to go further, they would cease to be economists.

For example, what is profit? That which remains for the manager after he has paid all the expenses. Now the expenses consist of the labor performed and the materials consumed; or, in fine, wages. What, then, is the wages of a workingman? The least that can be given him; that is, we do not know. What should be the price of the merchandise put upon the market by the manager? The highest that he can obtain; that is,

again, we do not know. Political economy prohibits the supposition that the prices of merchandise and labor can be *fixed*, although it admits that they can be *estimated*; and that for the reason, say the economists, that estimation is essentially an arbitrary operation, which never can lead to sure and certain conclusions. How, then, shall we find the relation between two unknowns which, according to political economy, cannot be determined? Thus political economy proposes insolvable problems; and yet we shall soon see that it must propose them, and that our century must solve them. That is why I said that the Academy of Moral Sciences, in offering for competition the question of the relation of profits and wages, spoke unconsciously, spoke prophetically.

But it will be said, Is it not true that, if labor is in great demand and laborers are scarce, wages will rise, while profits on the other hand will decrease; that if, in the press of competition, there is an excess of production, there will be a stoppage and forced sales, consequently no profit for the manager and a danger of idleness for the laborer; that then the latter will offer his labor at a reduced price; that, if a machine is invented, it will first extinguish the fires of its rivals; then, a monopoly established, and the laborer made dependent on the employer, profits and wages will be inversely proportional? Cannot all these causes, and others besides, be studied, ascertained, counterbalanced, etc.?

Oh, monographs, histories!—we have been saturated with them since the days of Adam Smith and J. B. Say, and they are scarcely more than variations of these authors' words. But it is not thus that the question should be understood, although the Academy has given it no other meaning. The *relation of profits and wages* should be considered in an absolute sense, and not from the inconclusive point of view of the accidents of commerce and the division of interests: two things which must ultimately receive their interpretation. Let me explain myself.

Considering producer and consumer as a single individual, whose recompense is naturally equal to his product; then dividing this product into two parts, one which rewards the producer for his outlay, another which represents his profit, according to the axiom that all labor should leave an excess,—we have to de-

termine the relation of one of these parts to the other. This done, it will be easy to deduce the ratio of the fortunes of these two classes of men, employers and wage-laborers, as well as account for all commercial oscillations. This will be a series of corollaries to add to the demonstration.

Now, that such a relation may exist and be estimated, there must necessarily be a law, internal or external, which governs wages and prices; and since, in the present state of things, wages and prices vary and oscillate continually, we must ask what are the general facts, the causes, which make value vary and oscillate, and within what limits this oscillation takes place.

But this very question is contrary to the accepted principles: for whoever says *oscillation* necessarily supposes a mean direction toward which value's centre of gravity continually tends; and when the Academy asks that we *determine the oscillations of profit and wages*, it asks thereby that we *determine value*. Now that is precisely what the gentlemen of the Academy deny: they are unwilling to admit that, if value is variable, it is for that very reason determinable; that variability is the sign and condition of determinability. They pretend that value, ever varying, can never be determined. This is like maintaining that, given the number of oscillations of a pendulum per second, their amplitude, and the latitude and elevation of the spot where the experiment is performed, the length of the pendulum cannot be determined because the pendulum is in motion. Such is political economy's first article of faith.

As for socialism, it does not appear to have understood the question, or to be concerned about it. Among its many organs, some simply and merely put aside the problem by substituting division for distribution,—that is, by banishing number and measure from the social organism: others relieve themselves of the embarrassment by applying universal suffrage to the wages question. It is needless to say that these platitudes find dupes by thousands and hundreds of thousands.

The condemnation of political economy has been formulated by Malthus in this famous passage:—

“A man who is born into a world already occupied, his family unable to support him, and society not requiring his labor,—such a man, I say, has not the least right to claim any nourishment whatever: he is really one too many on the earth. At the

great banquet of Nature there is no plate laid for him. Nature commands him to take himself away, and she will not be slow to put her order into execution.¹

This then is the necessary, the fatal, conclusion of political economy,—a conclusion which I shall demonstrate by evidence hitherto unknown in this field of inquiry,—Death to him who does not possess!

In order better to grasp the thought of Malthus, let us translate it into philosophical propositions by stripping it of its rhetorical gloss:—

“Individual liberty, and property, which is its expression, are economical data; equality and solidarity are not.

“Under this system, each one by himself, each one for himself: labor, like all merchandise, is subject to fluctuation: hence the risks of the proletariat.

“Whoever has neither income nor wages has no right to demand any thing of others: his misfortune falls on his own head; in the game of fortune, luck has been against him.”

From the point of view of political economy these propositions are irrefutable; and Malthus, who has formulated them with such alarming exactness, is secure against all reproach. From the point of view of the conditions of social science, these same propositions are radically false, and even contradictory.

The error of Malthus, or rather of political economy, does not consist in saying that a man who has nothing to eat must die; or in maintaining that, under the system of individual appropriation, there is no course for him who has neither labor nor income but to withdraw from life by suicide, unless he prefers to be driven from it by starvation: such is, on the one hand, the law of our existence; such is, on the other, the consequence of property; and M. Rossi has taken altogether too much trouble to justify the good sense of Malthus on this point. I suspect, indeed, that M. Rossi, in making so lengthy and loving an apology for Malthus, intended to recommend political economy in the same way that his fellow-countryman Machiavel, in his book entitled “The Prince,” recommended

despotism to the admiration of the world. In pointing out misery as the necessary condition of industrial and commercial absolutism, M. Rossi seems to say to us: There is your law, your justice, your political economy; there is property.

But Gallic simplicity does not understand artifice; and it would have been better to have said to France, in her immaculate tongue: The error of Malthus, the radical vice of political economy, consists, in general terms, in affirming as a definitive state a transitory condition,—namely, the division of society into patricians and proletaires; and, particularly, in saying that in an organized, and consequently *solidaire*, society, there may be some who possess, labor, and consume, while others have neither possession, nor labor, nor bread. Finally Malthus, or political economy, reasons erroneously when seeing in the faculty of indefinite reproduction—which the human race enjoys in neither greater nor less degree than all animal and vegetable species—a permanent danger of famine; whereas it is only necessary to show the necessity, and consequently the existence, of a law of equilibrium between population and production.

In short, the theory of Malthus—and herein lies the great merit of this writer, a merit which none of his colleagues has dreamed of attributing to him—is a *reductio ad absurdum* of all political economy.

As for socialism, that was summed up long since by Plato and Thomas More in a single word, UTOPIA,—that is, *no-place*, a chimera.

Nevertheless, for the honor of the human mind and that justice may be done to all, this must be said: neither could economic and legislative science have had any other beginning than they did have, nor can society remain in this original position.

Every science must first define its domain, produce and collect its materials: before system, facts; before the age of art the age of learning. The economic science, subject like every other to the law of time and the conditions of experience before seeking to ascertain how things *ought to take place* in society had to tell us how things *do take place*; and all these processes which the authors speak of so pompously in their books as *laws*, *principles*, and *theories*, in spite of their incoherence and inconsistency, had to be gathered up with scrupulous diligence, and

¹ The passage quoted may not be given in the exact words used by Malthus, it having reached its present shape through the medium of a French rendering.—Translator.

described with strict impartiality. The fulfilment of this task called for more genius perhaps, certainly for more self-sacrifice, than will be demanded by the future progress of the science.

If, then, social economy is even yet rather an aspiration towards the future than a knowledge of reality, it must be admitted that the elements of this study are all included in political economy; and I believe that I express the general sentiment in saying that this opinion has become that of the vast majority of minds. The present finds few defenders, it is true; but the disgust with utopia is no less universal: and every body understands that the truth lies in a formula which shall reconcile these two terms: CONSERVATION and MOTION.

Thus, thanks to Adam Smith, J. B. Say, Ricardo, and Malthus, as well as their rash opponents, the mysteries of fortune, *atria Ditis*, are uncovered; the power of capital, the oppression of the laborer, the machinations of monopoly, illumined at all points, shun the public gaze. Concerning the facts observed and described by the economists, we reason and conjecture: abusive laws, iniquitous customs, respected so long as the obscurity which sustained their life lasted, with difficulty dragged to the daylight, are expiring beneath the general reprobation; it is suspected that the government of society must be learned no longer from an empty ideology, after the fashion of the *Contrat social*, but, as Montesquieu foresaw, from the *relation of things*; and already a Left of eminently socialistic tendencies, composed of *savants*, magistrates, legists, professors, and even capitalists and manufacturers,—all born representatives and defenders of privilege,—and of a million of adepts, is forming in the nation above and outside of *parliamentary* opinions, and seeking, by an analysis of economic facts, to capture the secrets of the, life of societies.

Let us represent political economy, then, as an immense plain, strewn with materials prepared for an edifice. The laborers await the signal, full of ardor, and burning to commence the work: but the architect has disappeared without leaving the plan. The economists have stored their memories with many things: unhappily they have not the shadow of an estimate. They know the origin and history of each piece; what it cost to make it; what wood makes the best joists, and what clay the

best bricks; what has been expended in tools and carts; how much the carpenters earned, and how much the stone-cutters: they do not know the destination and the place of any thing. The economists cannot deny that they have before them the fragments, scattered pell-mell, of a *chef-d'œuvre, disjecti membra poetæ*; but it has been impossible for them as yet to recover the general design, and, whenever they have attempted any comparisons, they have met only with incoherence. Driven to despair at last by their fruitless combinations, they have erected as a dogma the architectural incongruity of the science, or, as they say, the *inconveniences* of its principles; in a word, they have denied the science.¹

Thus the division of labor, without which production would be almost nothing, is subject to a thousand inconveniences, the worst of which is the demoralization of the laborer; machinery causes, not only cheapness, but obstruction of the market and stoppage of business; competition ends in oppression; taxation, the material bond of society, is generally a scourge dreaded equally with fire and hail; credit is necessarily accompanied by bankruptcy; property is a swarm of abuses; commerce degenerates into a game of chance, in which it is sometimes allowable even to cheat: in short, disorder existing everywhere to an equal extent with order, and no one knowing how the latter is to banish the former, *taxis ataxian diòkein*, the economists have decided that all is for the best, and regard every reformatory proposition as hostile to political economy.

The social edifice, then, has been abandoned; the crowd has burst into the wood-yard; columns, capitals, and plinths, wood, stone, and metal, have been distributed in portions and drawn by lot: and of all these materials collected for a magnificent temple, property, ignorant and barbarous, has built huts. The work before us, then, is not only to recover the plan of the edifice, but to dislodge the occupants, who maintain that their city is superb, and, at the very mention of restoration, appear in

¹ "The principle which governs the life of nations is not pure science: it is the total of the complex data which depend on the state of enlightenment, on needs and interests." Thus expressed itself, in December, 1844, one of the clearest minds that France contained, M. Léon Faucher. Explain, if you can, how a man of this stamp was led by his economic convictions to declare that the complex data of society are opposed to pure science.

battle-array at their gates. Such confusion was not seen of old at Babel: happily we speak French, and are more courageous than the companions of Nimrod.

But enough of allegory: the historical and descriptive method, successfully employed so long as the work was one of examination only, is henceforth useless: after thousands of monographs and tables, we are no further advanced than in the age of Xenophon and Hesiod. The Phenicians, the Greeks, the Italians, labored in their day as we do in ours: they invested their money, paid their laborers, extended their domains, made their expeditions and recoveries, kept their books, speculated, dabbled in stocks, and ruined themselves according to all the rules of economic art; knowing as well as ourselves how to gain monopolies and fleece the consumer and laborer. Of all this accounts are only too numerous; and, though we should rehearse for ever our statistics and our figures, we should always have before our eyes only chaos,—chaos constant and uniform.

It is thought, indeed, that from the era of mythology to the present year 57 of our great revolution, the general welfare has improved: Christianity has long been regarded as the chief cause of this amelioration, but now the economists claim all the honor for their own principles. For after all, they say, what has been the influence of Christianity upon society? Thoroughly utopian at its birth, it has been able to maintain and extend itself only by gradually adopting all the economic categories,—labor, capital, farm-rent, usury, traffic, property; in short, by consecrating the Roman law, the highest expression of political economy.

Christianity, a stranger in its theological aspect to the theories of production and consumption, has been to European civilization what the trades-unions and free-masons were not long since to itinerant workmen,—a sort of insurance company and mutual aid society; in this respect, it owes nothing to political economy, and the good which it has done cannot be invoked by the latter in its own support. The effects of charity and self-sacrifice are outside of the domain of economy, which must bring about social happiness through justice and the organization of labor. For the rest, I am ready to admit the beneficial effects of the system of property; but I observe that these effects are entirely balanced by the misery which it is the nature of this sys-

tem to produce: so that, as an illustrious minister recently confessed before the English Parliament, and as we shall soon show, the increase of misery in the present state of society is parallel and equal to the increase of wealth,—which completely annuls the merits of political economy.

Thus political economy is justified neither by its maxims nor by its works; and, as for socialism, its whole value consists in having established this fact. We are forced, then, to resume the examination of political economy, since it alone contains, at least in part, the materials of social science; and to ascertain whether its theories do not conceal some error, the correction of which would reconcile fact and right, reveal the organic law of humanity, and give the positive conception of order.