

A NEW PROUDHON LIBRARY

— NOTICE —

These *draft translations* are part of an ongoing effort to translate *Proudhon's Justice in the Revolution and in the Church* into English, together with some related works, as the first step toward establishing an edition of Proudhon's works in English. They are very much a *first step*, as there are lots of decisions about how best to render the texts that can only be answered in the course of the translation process. It seems important to share the work as it is completed, even in rough form, but the drafts are not suitable for scholarly work or publication elsewhere in their present state. — Shawn P. Wilbur, translator

SOCIETY
OF
THE PERPETUAL EXHIBITION

PROPOSAL¹

The Emperor Napoleon, having had the idea of having the Palais de l'Industrie serve some foundation of public utility, which would testify to the interest that he takes in the well-being of the working classes, instructed S. A. I. Prince Napoleon, president of the commission for the Universal Exhibition, to present him with a proposal for this purpose.

For his part, His Imperial Highness, desiring to know the opinion of the men whom he considers most capable by virtue of their studies, their experience, their knowledge of the needs and aspirations of the democracy, to enlighten him in this circumstance, wanted to ask us our opinion.

After consulting each other, and having carefully considered both the purpose of the foundation requested and the initiative from which it emanates, we believed that it could in no way suit men who, for more than twenty years, devoted themselves to this great cause of labor and of the proletariat, who, at this hour still, suffer for it, on the part of all the parties as well as that of the government, calumny and refusal of publicity, to remain aloof, in a reserve that would be regarded as a mark of impotence and ill will, which could even one day be imputed to them as a crime.

To abstain on a question which may become decisive for the salvation of the Revolution, when the enemies of the Revolution, those who know each other and those who do not know each other, agree to stifle it, this is no more dignity in our eyes; it would rather be desertion.

However feeble the hope we may have had of having our ideas accepted, we have therefore resolved, without concern for doctrines or parties, and confining ourselves within the limits of the question posed, to make our feelings known with simplicity and frankness. And just as we hope to demonstrate the immense results of our project for the future of the workers' democracy, we will not hide the precious advantages for the Power, whoever it may be, who will make itself the initiator. So that if this project were judged worthy, by His Imperial Highness, of being placed before the eyes of the Emperor, His Majesty would have only one excuse to set it aside: that of better serving the popular interests, by better serve the interests of the government as well.

¹ Written in 1855, during the Universal Exposition of Paris. — See the reference in this document, page 239.

CHAPTER ONE

PURPOSE OF THE INSTITUTION

To determine the character of the institution that the Emperor wants to realize, which he himself does not know, we will ask ourselves the following question:

What is the most useful employment, for the country and for the State, that one can make, after the exhibition that is taking place at the moment, of the Palais de l'Industrie?

To which, if one wants to think about it, the answer is not doubtful. Proceeding from the particular to the general, following the method that governs all things of public utility, we will say:

The Palais de l'Industrie having been built for the 1885 Exhibition, it was necessary, once this ceremony was over, to seize it for a permanent exhibition.

In other words, and to give more development to this idea, it is necessary from a passing exhibition, a sort of industrial joust, undertaken from the theatrical and sterile point of view of the vanity of nations and the pride of manufacturers, to make a *Permanent Exposition*, to the positive, realistic and practical point of view of *the exchange of products*, of their *full and regular circulation*, of their *consumption at fair prices*, of *fairness and ease of transactions*, of the *increase of labor and wages*, the *emancipation of the worker*, the *balance of values*, the *policing of markets*, the *centralization* along with *freedom of commerce*, of *industrial and agricultural credit*, of the *progress of general wealth*, etc., etc.

All things that imply an organism, an administration, a driving force, that is to say the formation of a Society, agent and representative of the new institution.

Such is, in general terms, the rational and utilitarian, highly democratic use that the Emperor Napoleon seeks for the Palais de l'Industrie; — and such will be the *object of the Society* to whom the concession will be made.

In this respect, we can say that we found all opinions in agreement: fabricants, manufacturers, in a word producers; freight forwarders and transport contractors; theoreticians and practitioners, utopians and routinists, all professions, all minds are unanimous on this point, all tendencies converge on it: this is why we will not cite names or authorities here: common sense and evidence are enough.

The object of the Society thus defined, a question no less serious arises, and one less easy to solve.

The Emperor asks for an institution of public and popular utility; and here we are talking about giving this institution, as engine, agent, organ, a trading company, that is to say, a collective being, no doubt, and anonymous, but nevertheless personal. How to reconcile these two things that we have always and everywhere seen as antagonistic? Are we not going to fall into the defect of all modern foundations, which the Emperor's intention here is precisely to avoid?

CHAPTER II

FORMATION OF THE SOCIETY

In the economic order — apart from the relation of the State and the special services that belong to it — there are two ways of constituting an enterprise of general utility, and there can only be two:

The first, the best known and the most commonly followed, that which, in recent years, as in all previous epochs, has almost alone obtained the favor of power, consists in making a gift, concession or lease of part of the public domain (land, mines, waterways, roads, industry, trade), which is to be developed, to a company of capitalists, determined entrepreneurs, who undertake the enterprise at their own risk and peril, but also for their exclusive benefit, and outside of any control, except for a few minor reservations made by the Minister, in the name of the State, in the deed of concession.

In this system, it is no longer either the State or the Country that acts: it is a group of special interests, substituted for the right of the State and the Country, both of which they exploit, like a clientele.

This is how the dismemberments of the public domain has taken place in all times, among all nations: in Rome, the conquered lands; in the Middle Ages, the fiefs; under the old monarchy, the privileges of industry, embracing all the professions, arts and crafts, masters and jurandes, even to judicial offices; later, the West India Company, organized by Law; after the Revolution, the privilege of the Banque de France, the legislation of the mines; nowadays, finally, the railway concessions, etc.

Basically, this system is none other than that of habitual appropriation. It cannot be said that it is bad in itself and absolutely reprehensible, since unless it decrees the universal community of goods and gains, and the execution of all things by the State, it is clear that, at a certain limit, the domain of a nation, territory, trade, industry, science, etc., requires, for its good exploitation, division, property.

But it is a question of knowing where the appropriation should stop, and whether, outside the political and governmental sphere, whose functions no one ever thought of appropriating, there are not certain parts of the national domain, of the economic order, which it is to be desired for the people not to entrust to a egoistic exploitation, having interests distinct from those of the country itself?

If we first consult only the experience of nations, it is sufficiently apparent that if small industries can be appropriated without danger, if there is no danger to the freedom of labor, of credit and of exchange, that each family of cultivator possesses as much land as he can cultivate, it is not the same when it is a question of the agglomeration, in a small number of hands, of a vast territory, covered with a large population; of granting five hundred square kilometers of mines to a

single owner; of delivering to five or six companies all the circulation, financial and mercantile, of an empire.

By creating such privileges, under the pretext that the functions of the economic order are not within its province, the government does nothing but prepare the servitude of the country — and its own. It alienates its initiative, it strips itself of its legitimate influence, it makes itself a serf of its own creatures; it takes away its liberty of action, languishes, lowers itself, effaces itself, until the day when, having lost all his spring, indifferent to the privileged people it has made, and who dominate, to the mass which it betrayed and which hates it, it falls, like the fruit attacked by the worm, without having fulfilled its mandate, without having reached maturity.

It is thus that until the French Revolution, the old monarchy, endowed at times with an irresistible force, was always held in check by the great feudatories, by the Church, the corporations, the parliaments; it is thus that Louis-Philippe, a slave of the upper middle class, became odious to the masses, and was lost one morning under their common animadversion; it is thus that already, under an Empire that counts hardly three years of existence, the restored powers of the Church, finance, sponsorship, have the credit and the authority to dictate to the Emperor the policy that he must follow in the question of the East, and that after having imposed on him the distant war, the exclusively political and counter-revolutionary war, the friendship of Austria and the Papacy, they push him to unpopularity and ruin.

Certainly, the system that we are fighting here is easy to follow: the path is wide, traced a long time ago, entirely traditional, as they say, and even *providential*... It requires little genius, little zeal for the public good, little concern for himself and his dynasty. Louis XV said: *It will last as long as we do!* But it sometimes happens that it lasts less than us, witness the Restoration and the July Monarchy. Like all those that preceded it, the government of December 2, subject to the same laws, will perish or be saved by the same causes; we will add that its situation is already compromised, and that for it there is urgency.

Let us therefore posit this principle of elementary politics and rational economy: that an institution of public utility can indeed be the object of an attribution or a mandate, never of an appropriation.

It is said that in Rome, in the universal ignorance that existed there of the celestial revolutions, a college of priests had been charged to determine the end and beginning of each year. It was a function of public utility, if there ever was one, and one that no one would have suspected of being able to become the object of private speculations and arbitrary prevarications, opposed to the public interest. What happened though? It happened that the pontiffs lengthened or shortened the year according to the bribes paid to them by the suppliers of the State whose leases lasted one year, or the favor of the consuls and other magistrates whose functions were also regulated at the year. A thing that depended on the sun had become the object of an abominable traffic, until Julius Caesar, aided by the mathematician Sosigenes, put it in order.

One of the finest creations of the French Revolution was the reform of weights and measures. There is no doubt that if a joint-stock company had been entrusted with this reform, it would have

found a way to trade and gain, not only on the manufacture of coins, pots, bushels and scales, but on the delimitation of the primordial unity., and even on the measurement of the meridian.

This will be the case with the *Palais de l'Industrie* and the foundation of which it must be the monumental and central instrument, if the Emperor, following the well-trodden path of favoritism and appropriation, makes it the object of a concession like all those he has decreed up to now, instead of deciding according to a diametrically opposed and new conception.

At first, like the 1855 Exhibition, it will be a matter of curiosity and fashion, a means of speculation and agiotage; then soon an organ of monopoly against which the conscience of the country stiffens; one more sucker for the parasitic and financial feudalism that weighs on the country and on the State; a counterpart of the *Crédit Mobilier*, condemned today by all the friends of the people, of the Revolution and of liberty; unless it is an analog of the *Crédit Foncier*, the Docks and other establishments of the same nature, which the imperial authority may well have decreed, but to which it could not confer vitality or existence.

Let's summarize and conclude:

Since, on the one hand, in an institution of the economic order, the State cannot and must not substitute its action for that of the country; — since, on the other hand, in an establishment of public utility, it could not, without betraying its most precious interests, proceed by way of appropriation, individual or collective; but that, on the contrary, it must forcefully maintain universal property, that is, community of use and equality of benefit; that nevertheless, to render this use possible, the formation of a special organism, that is to say of a *Society*, is necessary; only one course remains to be taken.

It is to call to be part of the new Society, without limitation of number or time, all those who, by their labor, their exchanges, their consumption, the needs of their industry, etc., are interested in the new institution; in other words, it is to take as sponsors of the Society those who are to become its clients.

Thus constituted on common right, superior to any idea of appropriation, open to everyone and always, and excluding none, demanding for itself neither monopoly nor privilege; having science for principle and equality for law; beneficial to all, and harming no one, in the sense at least that no one can legitimately consider as harm done to his person and an attack on his property, the suppression of the abuses from which he profits; as favorable to the stability of the State as to social peace and the security of the citizens, the Society of the Perpetual Exhibition unites all the characteristics of a real institution, and possesses none of the disadvantages of ordinary concessions.

What the Banque de France should be, and is not, for banking circulation;

What the Société du Crédit foncier should be, and could not become, for land and mortgage loans;

What *Crédit Mobilier*, home to monopolization and agiotage, should be, and did not become, for industrial sponsorship;

The Société du Palais de l'Industrie will be responsible for the circulation of products, for the control of trade, for the extension of outlets, for the guarantee of consumption, of labor, of wages, and, consequently, for agricultural and industrial credit itself.

The mode of economic institution, or, to express ourselves more exactly, of societal organization that we advocate here, is not a conception that is particular and personal to us: it is indicated by all the tendencies of the time, and by its most authentic manifestations; it is this mode of organization that inspires all the projects of association for credit, exchange and outlet, which every day and every city sees hatching.

We will limit ourselves to citing here:

1. *Associations for consumption* such as *La Ménagère*, member butchers, member bakeries, etc.;

2. The workers' estates, and all the companies formed for the construction of workers' lodgings, in Prussia, at Mulhouse, Marseilles, Paris, etc., among which we will distinguish the *Society of family palaces*;

3. *Exchange societies*, a multitude of which exist in France, in Paris, Lyons, Marseilles, Nantes, and among which it suffices to recall the *Réforme monétaire*, of M. Mazel, which has become the *Epargne et la Banque foncière*, of Mazel and Co.; — the *Banque de compensation*; — the *Comptoir d'échange et de commission*; — the *Société générale de crédit privé*; — the *Monnaie auxiliaire* of Desclée and Co.; — the *Banque d'échange* of Paris (La Châtre); — the *Comptoir générale d'échange* in Lyon; — the *Union régionale*, by C. Dumont, Aug. Jourdan and Co.; — the *Réforme commerciale par l'association de la production et de la consommation*, by Dr. de Bonnard; — the *Banque régulatrice des valeurs* of Brussels; — the *Comptoir d'Escompte* de Nantes, by M. Oudet; — the *Banque Gallas* de Rouen, by MM. Beslay, Hocmelle, Lejeune, etc.;

4. The *workers' Associations*, many of which have survived and prospered, such as that of armchair and car joiners, turners, piano makers, tinsmiths-lamplighters, cabinetmakers, file makers, bakers, masons, farmers, etc..

These examples suffice to demonstrate to the least clear-sighted minds, to the most timorous and prejudiced consciences, that the Idea has matured; that the power, by taking its realization in hand, will do nothing other than respond to a need as generally understood as it is deeply felt, and that by making the Palais de l'Industrie the central point around which all the particular trials will radiate, those at least that their specialty would prevent from coming to be confused there, it will do nothing other than give the watchword, the impulse and the direction to a whole system of forces, now scattered, which tomorrow will agglomerate in an irresistible unity, provided they find in it the satisfaction of the principle that produced them: *guarantee and liberty*.

CHAPTER III

FORMATION OF THE SOCIAL CAPITAL

The principle of the new institution, namely the identity of the sponsors and customers, once admitted, with the firm will to respect it, any difficulty, relative to the formation of the share capital, to the operations of the Society, to its administration, its extension, etc., disappears.

How, it will be said, can an undertaking of public interest, acting exclusively on behalf of this interest and without any ulterior motive of selfishness, interest the public, when it is made up of individuals determined solely by the motive of gain or private interest?

How to find donors, shareholders for such a society?

First of all, the public, that of the producers, to whom we claim above all to address ourselves, has little or no money; if it possesses it, it is to use it, not to lend it; it is stingy with its capital, it does not like to part with it.

Then, it is not in the human heart to place money on speculations of this kind. Everyone's interest is no one's interest. One has money for his ambition, for his passions, for his pleasures; we don't have any for a work of philanthropy. One buys a lottery ticket, shares of enjoyment; we play on the worst values, because if the chance of success is small, the profit, in case of success, is enormous. But we don't usually buy *guarantees*. A manufacturer, finding a good deal to do, will put 100,000 francs into raw materials; he will not give a penny to secure the outlet. Few people, by a mediocre sacrifice, insure themselves against unemployment, overproduction, bankruptcy, death!...

How then, once again, can we triumph here over this first difficulty, the usual pitfall of all partnerships: the formation of capital?

In the preceding chapter, in dealing with the formation of the Society, we took as a principle of right or legal basis the calling of the customers of the Society as limited partners.

Let us start from there, and pose again, as a principle of economy, or scientific basis, this well-known aphorism: *Products are exchanged for products*. An indisputable principle, but one that until now has remained sterile in the hands of the economists, who have contented themselves with noting it, without trying to make the slightest application of it.

Since the sponsorship is made up of *producers*, and the purpose of the society is, above all, the flow or sale of *products*, there is no disadvantage, there is every advantage in receiving subscriptions, not only in cash, but in kind; that is to say, for a large part, that is to say nine tenths, in PRODUCTS.

These products will be sold by the Society which, for this sale, will already have to collect a commission; the proceeds of the sales, collected, will be credited to the account of the shareholders, who will thus find themselves, almost without purse, having paid the amount of their shares.

Titles of shares will be 100 francs and in bearer form;

The interest fixed at 4 percent, guaranteed by the State, which, moreover, as an initiator and to give impetus to the Society, will, for three years, advance the Palais de l'Industrie free of charge.

Who does not see that, under these conditions, the taking of actions becomes, for each subscriber, a real sale of his products, at three or six months at the most; since, the interest of the action being guaranteed, the action becomes a true currency, equal to Treasury bonds and banknotes?

In this combination, in fact, the action is no longer a random value, liable to rise and fall: it is a title to income that can only be lost by the destruction of the pledge, that is to say by the bankruptcy of the Society or the burning of its stores: two hypotheses that the constitution of the Society will undoubtedly be able to ward off.

But, far from the value of the action being able to lose by the destruction of the pledge, it is obvious on the contrary that this pledge can only increase by the traffic and the operations of the Society; since these operations, all of which resolve themselves into sales or exchanges, have nothing random about them, they are as sure, even more sure than railroad traffic.

Not only, therefore, is the constitution of the social capital, 25, 50, 100 million, assured; but it can be said that even if the Society would not carry out other operations, and that it would limit itself to receiving subscriptions from shares, payable in products, it would have as many as it wanted; since the collection of shares is reduced to converting, by sale, commodities into cash, then converting this cash into annuity securities bearing interest at 4 percent; it is as if the Banque de France were offering the industrialists of the capital to take all their goods from them at a disputed price, in exchange for its banknotes, plus interest at 4 percent, which the said banknotes do not produce today.

Here, we have no doubt that some will ask themselves: How was such a simple idea never realized?

And we will answer: For an even simpler reason: it is because to form such a partnership and determine the payment of shares, goods or products, a concurrence of wills was required which, in the present state of Society, can take place only at the call and under the guarantee of the State, and because the State, in its aristocratic preoccupations and its traditional prejudices, the State, more concerned with the fortune of the privileged than with the good of the country and public utility, could not conceive of such an idea.

Now, although the capital formation system that we propose for the Société du Palais de l'Industrie has been in the public domain for several years; although we find it in almost all the Exchange Societies of which we have previously spoken; although it has caused a certain amount of stir in the controversy of recent times, and although we find it even in the practice of establishments which seem to accept it the least, such as the Crédit Mobilier, the Comptoir National and the Banque de France; in fact, however, it has never been realized in its mighty simplicity, and we doubt that apart from the initiative of the State, the force of public opinion will suffice, for a long time yet, to give it this realization.

CHAPTER IV

OPERATIONS OF THE SOCIETY

We have just shown how, independently of the object of the institution and of the operations of the Society, the producers would have the greatest interest in taking shares payable in kind; how, therefore, the formation of social capital was ensured.

It is now a question of seeing if the operations of the Society will be of such a nature as to divert the subscribers; if, on the contrary, they will not furnish them with new and energetic reasons for subscribing.

We are reducing the Society's operations to nine main ones:

1. Sale of the products, whether they have been deposited as payment for share subscriptions, or whether they have been consigned for sale by the producers;
2. Issue of corporate paper;
3. Discount of appraised goods;
4. Discounting commercial paper with two signatures;
5. Advances and loans of products on products;
6. Advances and loans of products on mortgages;
7. Rates and regulations for exchange;
8. Creation of branches;
9. Publication, at least weekly, of the operations of the Society, and economic review of agriculture, commerce and industry.

We are going to quickly review these various operations, to determine their conditions and character.

§ 1. — *Sale of goods.*

The Society, being only an establishment of commission, exchange and credit, a simple intermediary between the producers and the consumers, prohibits any kind of traffic and industry for its own account. Unlike merchants, who, with the help of their capital, seize the goods, become purchasers and owners of them and then resell them; playing up when they buy, down when they sell; the Society is not and can never be, directly or indirectly, the owner of the products. It always acts on behalf of others; it does not allow itself any manipulation, mixing or transformation of the goods; it delivers it as it received it, under the responsibility of the producer, at the price indicated by him, and under the guarantee expressed by him as to quantity, quality and weight.

Consequently, all goods, raw or manufactured materials, agricultural or industrial products, sent to the Society, must bear:

The name of the *producer*;

The name of the *place of production*;

The designation of the *quantity, size and weight*;

The designation of the *quality*;

Finally, the *price*.

Upon arrival, the goods will be appraised; a report will establish whether or not they comply with the declaration.

Regardless of the price quoted by the owner, a rough estimate will be made of the product; its aim will be to recognize its intrinsic value, that is to say the certain price that one could obtain for it in even the most unfavorable circumstances. — We will see below the usefulness of this estimate.

Samples will be taken from the products, exhibited, with a copy of the report, at the Palais de l'Industrie, for inspection by purchasers.

The original of the survey and estimate report will be delivered to the office of the Society, which will immediately notify the sender, at the same time that it will open a credit for him for a sum equal to the amount of the estimate.

The goods thus received in good condition, appraised and estimated by the Society, will then be stored and classified by category, genre, species and variety, so that the consumer has before his eyes, for each object, the whole social production; so that he can at a glance judge the differences in quality and price, and obtain supplies, as he chooses, under the best conditions and with all the desired security.

For its part, the Society, by the incessantly renewed notices of its Gazette, by the articles of its Review, by the exhibition of its types and samples, by its correspondence, in a word, by all the means at its disposal, will cause the sale and flow of products, and will work incessantly to create new outlets.

A rate-sheet will be published indicating, for each type of goods and products:

a) The right to exhibit the types and samples at the Palais de l'Industrie;

b) storage costs;

c) The commission to be collected by the Society on sales and exchanges.

Custody, storage and exhibition costs will be quoted, as far as possible, at the cost price of the Society's buildings and services; — as for the commission, it should never, in any case, exceed 2 1/2 percent.

The Society, having its own customers as shareholders, has no profit to make on them; on the other hand, it has an immense advantage in constantly reducing the expenses and incidental expenses of all kinds, which, in ordinary commerce, encumber the merchandise, and often raise the price of the products out of all proportion.

One can judge of the favor that will be obtained, inside and outside, by the mediation of the Society, when one knows that the commissions perceived by the brokers and agents of sale and purchase amount frequently to 10, 12, 15, 20 and 25 percent, that is to say to a fifth and a quarter of the sales price. The Sieur Bonnard, of Marseilles, whose counter, established in Paris, acquired in a few months an extraordinary vogue — if, however, we are to rely on the boasting of a man known for his boastfulness as much as for his ignorance and his plagiarisms, — Bonnard, we say,

takes up to 33 and 50 percent commission. His maxim is that, even by selling the product at cost price, he is doing him a service, and that any commission, however high, is legitimate.

§ 2. — *Issue of Company paper.*

The Society makes up both the commission and the bank.

To cover the goods that are given to it on consignment or that it sells, commercial paper presented to it for discount, the Society, in addition to the cash at its disposal, issues *General Exchange Vouchers*, representing values stored by it, realized, in portfolio or in cash, and giving right to an equal value in goods, to be taken in its stores at the option of the bearer.

These general vouchers, in denominations of 10, 20, 50 and 100 francs, will be the currency of the Society, received by it in all payments for goods and reimbursements of notes.

All the accounts of the Society will be balanced, and its entries kept in this currency, which will become for it imperceptibly the unit of value, and will represent the par of the exchange.

As they will be current among the members, correspondents, customers, etc., of the Society, their circulation will naturally extend outside. They will therefore be reimbursable on any requisition, in cash or in goods, under the conditions that will be determined below:

These *General Vouchers* being, according to the principle of their issue, representative of products, not of cash, the Society has the right to issue them and circulate them as it sees fit; there can be no difficulty from the legal point of view, except for reimbursement in cash. — Since the Banque de France alone has the privilege of issuing notes payable *at sight* to bearer, perhaps it will be appropriate for the Exhibition Society to pay its own only *one* or *more* days from sight; which, once understood by the public and passed into custom, will cause no embarrassment.

The circulating paper of the Society, kept by it always at par, thanks to the faculty of reimbursement, at any requisition, in cash or merchandise of the Society, will become the great lever of its operations and the irresistible instrument of its power. Unequaled in the world for fixity as for solidity, it is through it above all that Society will begin this peaceful revolution in the habits of commerce, the relations of labor and capital, the balance of production and consumption, the guarantee of labor and outlets, etc., which is the ideal of the economists, the guarantee of the well-being of the masses, of the moral, political and economic superiority of the nation, and of the glory of the Empire.

§ 3. — *Discounting of goods.*

At the request of the depositors, and according to the estimate that will have been made of the proceeds, the Society may immediately discount them, either in its notes or in cash, under the following conditions:

The consignee will make a promise to the Society to repay the advances made to him on a fixed term, either in products from his industry, or in the notes of the Society, or finally in cash.

More simply, the discount that will have been granted to him of the goods given by him to the Society in deposit and consignment, will imply on his part this promise of reimbursement.

If the depositor contents himself with the notes of the Society, he will only have to bear a discount commission, the maximum of which is provisionally fixed at 1/2 percent.

If he asks for money, the Society will remit it: in this case, the depositor will have to bear, in addition to the above commission, interest of 4 percent.

If, which is unlikely, the Society had exhausted its cash, both that coming from its share capital and that obtained by the cash sale, it would then obtain, by means of the bond subscribed by the depositor and covered by its back, cash at the Banque de France; in this case too, the depositor would have to pay the interest demanded by the Bank.

The reason for this difference in the price of the discount, depending on whether it takes place in cash or in the notes of the Society, is easy to grasp.

The Society, intermediary between the producer and the consumer, does not pay any interest for the goods and products that it receives on consignment, since, on the contrary, it itself collects, for this consignment and for the sale, a storage tax, commission, etc.

The products, being exchanged against each other, do not owe each other interest either, since the interest, having to be reciprocal, cancels out.

Now, the paper of the Society is the sign and the instrument of this exchange: it should not therefore be the object of any interest, but at most of a commission.

It is not the same with cash. The Society, whether it takes it from its social funds, or whether it obtains it from the Banque de France, must pay the interest, in the first case to its shareholders, in the second to the Bank. The discount will therefore in turn have to bear the same interest.

It is up to the members, depositors, regular customers of the Society, as the operations of the latter develop, and as its good generals spread in general circulation, to see which is the most advantageous to them, to discount their products, to make their purchases, etc., without bank interest, or to pay interest. The Society offers them the option, and all its efforts will be to ensure that this option is not a vain chimera.

§ 4. — *Discounting commercial bills.*

The Society, as has been said, acting as a bank, discounts bills of exchange with two signatures.

For this discount, as for that of the merchandise, it offers either products to be chosen from its stores, that is to say, general vouchers or tickets, or specie.

If the bearer of the bills of exchange takes notes from the Society, he only has, as before, to pay a commission.

If he wants money, the Society, whether it provides it from its own cash box, or whether it carries bills of exchange to the Bank of France, collects, in addition to its commission, interest.

The operation being the same as before, the conditions are also the same.

Hence another consequence, which it is important not to omit.

The paper of the Society, it was said, is redeemable for specie on demand.

Nothing could be fairer: in this, the Society fulfills the duty of any real bank.

But, while the Banque de France, for example, at the time when it discounts the securities presented to it, retains the interest of the sum which it remits in its notes, and consequently must make at any requisition reimbursement of its tickets *at par*, the Society of the Exhibition, which, by making the discount in its own paper, only received a commission, can no longer make the reimbursement of this paper under the same conditions as the Bank of France; it must retain interest.

The interest to be collected by the Society, in this case, will be calculated according to the average of the maturities of the bills of exchange offered to it, and of the storage of the products.

§ 5. — *Advances and loans of products on products.*

The exchange of products for each other in a nation takes an infinite variety of forms. We have just given an account of the *sales* and *purchases*, *discounts* for goods and bills of exchange, provided by the Society.

It will still have other means of circulation.

Thus, it will make advances of products on the consignment of products; it will, for example, deliver raw materials to a producer, in exchange for manufactured products, duly appraised and valued, and *vice versa*.

Through this type of operation, the new Company achieves a wish, which up to now has remained in the state of pure speculation, but which has never been able to be realized in practice: it puts credit within reach of everyone, even simple workers, who, every day, will be able to bring the fruit of their labor, exhibit their inventions and masterpieces, and take away in exchange the raw material necessary for their work the next day.

To fully appreciate the nature of this operation, the importance of which is equal to the delicacy, it is necessary to remember within what limits the Society acts.

The Society of the Perpetual Exhibition, we have said, is a commission establishment; as such, it refrains from any kind of traffic and industry for its own account; it is only an *intermediary*.

According to this principle, it prohibits *sponsorship*: since, by sponsoring any industry whatsoever, it would, in fact, take the side of one of its member shareholders against all the others; it would create for itself a particular interest, apart from the public interest that it represents.

In this respect, therefore, it cannot and should not become an agent, an instigator of any enterprise, of any workers' society; taking sides for one class of society against the other; stirring up the social war, which its aim is to extinguish. It cannot arrogate to itself an initiative that is not in its nature: it would go beyond its attributions and its character, and would deserve the animadversion of the country and the government. A society like the one to be founded, which, in the present state of things, would indulge in such maneuvers, should be immediately dissolved: it would be a plague for the country and for the State.

But just as much as the Society must keep itself outside of industrial action and the struggle of producers, it is up to it to support this struggle, to regulate it, to organize it, if one can so speak, to ensure its faithfulness and fertility. Society is the judge of the camp here: if it does not enter the

arena, it supports, it protects the fighters; it ensures that everything happens according to the laws of justice and chivalrous honor.

To the *Crédit Mobilier*, for example, industrial sponsorship;

To the Ministry of *Public Instruction* to prepare, through education and schools of all specialties and degrees, the emancipation of the proletariat.

It is up to the *Society of the Exhibition* to provide, by means of greater, and less and less onerous, facilities for circulation and exchange, the low price of products, their improvement; consequently the excitement of competition and the development of industrial genius; finally, the increase of labor, wages and well-being.

Let it therefore facilitate, as long as it can, by its advances of products against products, of raw materials against products, of products against raw materials, the labor of the worker; let it sharpen his genius; that it encourage his efforts; let it show off his trials; let it even organize competitions every year; let it assemble agricultural shows; let there be distributions of medals, small bonuses, honorable mentions, etc.: all these things can fall within the remit of the Society.

They suit it all the better because, after all, the Society, judging, not according to the opinion of its administrators and experts, but according to the public vote; here, ascertained by its entries, by the importance of the demands and the sales figure, is the organ of opinion in the country, and, so to speak, the most authentically expressed voice of universal suffrage.

§ 6. — *Advances and loans of products on mortgages.*

Just as the Society of the Perpetual Exhibition does not compete with the Société de Crédit Mobilier, of which the proper attribution is sponsorship, nor does it intend to compete with the Société de Crédit foncier, which, moreover, does not exist.

What do we mean by advances and loans of products on mortgages?

Sometimes the Society will lend to an agriculturist tools, seeds, articles of consumption, cattle if necessary, the value of which will be mortgaged on the land, and preferably on the crops. — It will do the same for the manufacturer: we understand, moreover, that the advance or provision of long-term products on mortgages will only come last, after the advances on consignment of products and short-term products have been exhausted.

The importance of these operations, *when the Society is permitted to engage in them*, is incalculable.

It is a fact that general labor has the power to produce more than it consumes, especially in industry and the arts. There will therefore always be in the warehouses considerable quantities of surplus products, which, not being able to be exchanged for other products or placed in the short term, will have to seek their disposal by means of long-term placement, and on mortgage.

In this situation, it is obvious that the lender on the mortgage renders to the overloaded consignee a service equal to that which he receives; their respective positions are identical to that of spot traders. The investment may therefore also be made, like the immediate exchange, *without interest*, under the guarantee of the Society, and in return for the simple commission that belongs to it.

Thus the *Society of the Perpetual Exhibition*, which at first sight seems made only for the exchange of manufactured products and articles of consumption, affects the most intimate interests of agriculture; it becomes the precious, all-powerful intermediary between the rural population and the industrial population.

We have contrived to create this institution of the *Crédit Foncier*: we have made the most skillful combinations for interest, annuity, the issue of bonds; for this aborted creation, the law of mortgages was reformed; the encouragements, the excitements, the privileges have been multiplied, and the result of this long and solemn effort has been *nothing*.

Without displaying such lofty pretensions, without putting so much mystery into them, the Society of the Perpetual Exhibition will one day be able to provide for a considerable part of the needs of agriculture, with profit for itself, profit for its constituents, and without demanding of the plowman any recompense!...

This new conception of the mortgage loan naturally implies that the amount of the advances made according to this mode will be proportional to the existence of products in excess. If the excess is small, the mortgage benefits will be small; if the surplus increases, the benefits will also increase: and who knows if, after all, this method of investment will not itself become an object of speculation for the co-signers?...

§ 7. — *Rate of exchange.*

“All the objects placed at the disposition of the Society, gold and silver included, and in general all the articles of its balance sheet, will be governed by a rate of exchange, which is always variable. The Society will not be able to benefit from this rate, the sole purpose of which is to ensure the balance of values.

“Consequently, any increase in the exchange rate of one article will be balanced by an equivalent decrease in the exchange rate of one or more other articles, taking into account the total existing sums, except for a tolerance of one tenth of the variations in plus or minus. Temporary balance differences will be posted to a special balance account, which will ultimately have to be settled from one period to another.

“Changes in the rate of exchange concerning the fundamental proportions, will be approved by an exchange commission, composed of three members elected annually by the General Assembly.”

Some explanation is needed here.

In the beginning, and for quite a long time yet, the Society will limit itself to the sale and exchange of products, in the manner which has been indicated above §§ 1, 3 and 5, that is to say at the prices fixed by the producers, and renewed by them at more or less close periods.

It is clear that, under these conditions, variations in values have no bearing on the Society; they are at the risk as well as for the benefit of the depositors alone. If there is a rise in the commodity, the producer who made the consignment benefits and wins; if the decrease occurs, on the contrary, a loss, or at least a decrease in profit, is registered for him.

Such is, we repeat, the starting point of the Society's operations.

But this state of affairs cannot last forever. By the object of its institution, by its spirit and its nature, the Society regulates the market: it pushes for price stability, for the constancy of the market price. By its incessant action, the difference between *maximum* and *minimum* prices tends to diminish ever more and to become, without however ever being able to achieve this, zero.

Any institution, whose law is to conform to the law of things, to follow the natural movement of phenomena and ideas, has the duty, once this movement has been recognized, to regularize and facilitate it: the Society of the Exhibition will therefore be required, after a certain time of experiment, to take in hand the direction of the values and their oscillations.

To this end, it generally proceeds as follows:

Instead of simply resorting, as stated above, to arbitrary indications from applicants, it deals with them, in the form of contracts to be delivered at staggered times, for products bearing precise indications of the price, quantities and qualities, deliverable to the Society or to the holders of its orders, against determined sums in Society notes or in social values.

By these contracts, the conditions of which were negotiated between the depositing producers and the appraisal jury, the said producers are *insured* against increases and decreases, which, from that moment, become irrelevant. It is the Society alone that this rise and fall will henceforth concern.

But, as stated in § 1, the Society does not engage in any traffic on its own account; it cannot become the purchaser and owner of the products; consequently it does not speculate, in the manner of stockbrokers and commercial brokers, on the rise and on the fall; agiotage and hoarding are forbidden to it. Its salary, the source of its income and profits, is in its *commission*, its *discount*, its petty fees for *storage* and *deposit*. If, then, it takes hold of the movement, if it tends, by all its efforts, not to make itself absolute mistress of the flows, which is impossible, but to direct them, it is not with a view to gain: it is solely in order to moderate them one by the other, to make perpetual and daily compensation for them.

If, therefore, the demand is strong for one product, while there is abandonment of one or more others, the Society raises by x percent the price of the first, and at the same time lowers by a quantity x , equal to the preceding, the price of the others, so that the compensation is, as far as possible, exact. It is because of the difficulty of obtaining this mathematical accuracy that a tolerance is granted which, compensating itself from one period to another, can never affect the Society's assets.

Suppose, for example, that gold, as it happens at the moment, is falling, that is to say, more offered, while silver is on the rise or more in demand: the Society, having to discount its securities in its own notes, will give 100 francs of its own currency against 105 gold francs = 100 silver francs, or, to put it more accurately, against a weight of gold one-twentieth greater than that of five 20-franc pieces, and a weight of silver also one-twentieth less than that of twenty 5-franc pieces, that is nineteen.

By this compensation, the Society made no profit; it did nothing other than intervene, with its own currency, to restore the balance, and this is just the opposite of what the Banque de France practices, which, being able to pay for its banknotes in gold or in silver, both metals being received

as legal tender, give gold if gold is falling, or pay in silver if silver is more offered and less demanded: so that, in both cases, it makes a profit. This shows the difference between an institution of privilege and an institution of public utility: the first *exploits* the public, the second *serves* it.

What we have just said for gold and silver takes place for all products, raw materials, food substances: whatever *the supply* and *demand* for all, two powers that are given to no one to anticipate or prevent, the Society, by its rate of exchange, cancels the oscillations by compensating at each moment the increase by the decrease, and *vice versa*.

Thus, the Society following *supply* and *demand* in all their evolutions, without leaving them one step, clinging to them like a shadow on the body, it follows that *the rise and fall of the exchange rate* determined by the tariff tends to replace *rising and falling products*.

Invaluable and far-reaching consequences result from this. It follows, for example:

1. That all products are, so to speak, *monetized*, endowed in the highest degree with the circulatory faculty. All the difference between them being indicated by the rate of exchange, as we have just said for gold and for *silver*, by paying the difference or receiving the bonus, the producer can pay whatever he owes, either on the spot or outside, with his product, or, what comes to the same thing, with another product in exchange for his. For example, the coal merchant of Paris who owes at Mons or Sarrebruck a sum of 1,000 francs, and who cannot naturally send *coal* to his supplier, will procure *wheat* or any other product current in the place where he must to pay, as the merchant of Lyons or Paris procures *London* or *Hamburg*, that is to say, bills of exchange on these two places, to pay and to effect the payments that he must make there.

2. It follows, in the second place, that any maneuver of monopolization, agiotage, monopoly, is made impossible, strangled at its birth, stifled in its germ. How could it take place? The producer has more advantage in dealing with society on a regular basis than in abandoning himself to the hazards of supply and demand and giving himself up to speculators; on the other hand, in the face of the Society, which speculates to achieve equality of prices by the compensation of values, without *profit* for itself, how would they dare to make the slightest attempt?

3. Another consequence, not less serious, and for economic science of the highest interest, is the solution of the problem of the currency, uselessly sought until this day, which M. Chevalier, after the most persevering and the most useless efforts, abandoned, to the despair of the economists.

The price of any product, said A. Smith, is ultimately determined by the quantity and quality of the labor it costs or is expected to cost.

The working day, not just any working day, but the average among all possible works and services: such is therefore, in reality, the fundamental unity of all values.

The same thought was expressed in other words by this aphorism attributed to the English: *Time is money*; and by this adage of a modern philosopher: *Time is the stuff of which life is made*.

But how to discover this theoretical day, the average day of all the workers of the globe, in the order of science, art, politics, as well as agriculture and industry?

How to note it, recognize it, if it is itself, which is indubitable, variable from one century to another, from one generation to another?

The apparent impossibility of such a determination caused A. Smith's principle to be abandoned, even denied: something as reasonable as the conduct of a geometer would be who, unable to solve a problem, would decide to deny its axioms. The practice, in spite of the findings of science and the disturbances of commerce, has remained at the point reached by the Convention, in its system of weights and measures: after having determined, according to the dimensions of the globe, the unit of weight, this unit has been used, applied to precious metals, to determine the unit of values, as if, between the meridian and the industrial action of man, there could be a common measure!

Today the error has become so considerable that it strikes all eyes: the transactions are falsified; the producer suffers; the workman especially is a victim of it. As for the Bank and the other so-called credit institutions, they take advantage of the anomaly to make big profits by a huge agio.

To tell the whole truth, the *franc* of the Convention is not the real FRANC; it is a false measure, a false currency.

Well! We found this authentic franc, supposedly impossible to find, without effort and, so to speak, without having looked for it. This natural and legal currency we possess in the general voucher of the Society, and we can say of it like King Inachus of his daughter Io: *Tu non inventa, reposita es.*

By the rate of exchange, from the arbitration of which neither gold, nor silver, nor platinum, nor any metal, product, or service determined in quantity, quality, weight, duration, etc., can escape; — while the note of the Society or general voucher of exchange is representative of the PAR, that is to say of the ideal *unit* of which we are forced to admit that all exchangeable value is composed; — by the action of this rate, we say, it is evident that this social paper, pledged on gold, silver, products, bills of exchange, the work of the producers, the cultivable soil, the instruments of work and houses, this paper which, in principle, seemed to be, like the Banque de France note, only a representation of cash, has become the representation of all possible values; and since it is expressed in *francs*, it is also evident that this *franc*, expressed by the note of the Society, is no longer the franc of the Convention, i.e. 5 grams of silver at 9/10 fineness, or a proportional quantity of gold: it is the franc of nature and of humanity, the franc of science, which Adam Smith had glimpsed in the working day.

Indeed, since the general voucher of exchange is representative of all the values produced; since these values all have as their origin and primordial determination the quantity of labor which they have cost; since, compared with each other, they assume an average around which each oscillates and pivots in a more or less elongated ellipse, like the planets and comets around the sun: it follows that the voucher, typical value or standard of the Society, is nothing other than the expression of this unit, or of a multiple of this unit, or of a fraction of this unit, which we have called the *average working day*.

Suppose, for a moment, that this average workday corresponds to a quantity of 25 grams of silver at 9/10 fineness, or a hundred-sou piece: we will say that the worker who earns 5 francs a day earns one day; than he who earns 2 fr. 50 c, 3 francs, 4 francs, gain 1/2, 3/5, 4/5 of a day; that one whose salary rises to 10 or 15 francs, earns a day double or triple the average.

And now see the consequences: if the wages of the workers are expressed in the francs of the Society, no longer in metallic francs of the Convention or routine, the price of consumer goods can oscillate and dance as much as it wants: the worker will never bear more than his fair share of both falling and rising prices. Doesn't the average working day remain the basis of all evaluations? Doesn't the note from the Society express this average day, whatever it may be? Let this average therefore vary as much as it will, in comparison with itself, it remains nonetheless, relative to the produced values of which it is the base, the fixed, ideal, absolute unit. While we see the worker who, for half a century, has received an average salary of 4 francs, impoverished by 25 percent by the effect of the rise in other products and parking, or even the fall in metals; this same workman, if his wages had been expressed in the theoretical francs of the Society, would have benefited from all the industrial improvements; with the same salary, his well-being would have increased by all the amount by which it has been diminished, 25 percent.

We end these clarifications here, which would require a special treatise. Let us confine ourselves to saying that it is by this general monetization of products, by this high policing exercised over all values, a necessary consequence of the organization of exchange as we have previously explained it, that France will take a step over all nations and will forever become the standard-bearer of civilized mankind.

§ 8. — *Creation of branches.*

The Society of the Perpetual Exhibition is intended to centralize all commercial circulation. It would only half exist, it would fail in its mission, it would decline and fall in the end, if, by an inconsistency without excuse, it acted otherwise.

What would be its fiduciary paper, if the use were to be confined to the kilometeric radius of the capital, at most within the limits of the department of the Seine? What good is this lever, with such a long arm, capable of moving the world on its own, if it were to limit itself to savings in transport and wear and tear on cash, from one district of Paris to another, at most to account balances and transfers?

How then, without this plenitude of action that only generality gives, are we to bring together, in permanent communication, the producers of the various regions of the territory? How are we to provoke, to carry out their exchanges? How are we to achieve the investment of excess products and raw materials, either on other products and raw materials, or on mortgage?

How finally to arrive at the balance of the values, this supreme goal, ideal of the public economy?

To be or not to be, that is to say, to embrace the entire surface of the country or to remain in nothingness, such is the alternative for the new institution.

And it must be added that it will be incomparably easier for it to be the whole than to remain the part: it suffices to have the slightest idea of circulation and exchange, to know the conditions and the requirements, to be convinced. Oh what! The smallest Parisian manufacturer, the smallest provincial banker has connections in every chief town, in every capital; it is potentially the central bank of the globe; it would lose if it were forbidden the slightest part of the habitable earth. As if a Society whose nature is to be unique, which aims to change the mercantile routine and to regenerate the economic constitution of society, would hesitate to follow its legitimate, natural, necessary development!

No, no, it cannot be so. If it wanted to, the Exhibition Society could not. It will be like the railroads: once installed and known, it will be called upon from all sides by the departments and the communes, as the safeguard of all interests and all rights.

Let us waste no time answering the objections drawn from the size of the enterprise, the multitude of personnel it presupposes, the immensity of the details, the infinite surveillance, etc. After the Banque de France and the railways, such objections are meaningless. Why then should the new Society, founded on public utility and with the object of assuring to all the equal enjoyment of their products and their industry, by exchange, discount, etc., be administered, served with less intelligence and zeal than companies that rely on privilege?...

But we want to give a general idea of this organism, hitherto without a model.

It is easy to imagine that the parent Society, created in Paris, having its headquarters at the Palais de l'Industrie, surrounds itself, in each province and department, with branches formed in its image, receiving from it the impulse and the law, as the Banque de France did for department counters.

If the Central Society appoints the directors, controls and supervises the operations, fixes the rate of exchange, issues the Society's paper, collects information and composes the statistics, it is the pivot at which everything culminates, the center of action where life and light radiate in all directions.

All of this is easy to understand.

But who does not see that in addition to these branches, offices and bazaars, established on the plan of the metropolis, the Society, by the mass of its investments, is put in relation with the *Docks*, warehouses, halls, general and special stores, where are accumulated the products and goods that its task is to sell; that, while distinguishing itself from these establishments and without encroaching on their attributions, it is the Society that uses them, that disciplines them, that gives them impetus and unity, that determines their importance?

Thus, by the constitution of the Society, the *Docks*, the creation of which has remained until this moment, like that of the *Crédit foncier*, a dead letter, because they lacked meaning, motivation, let us settle on the word, sufficient reason to be, the *Docks* immediately find their necessity and their use; over time, the Society assimilates them, molds them to its caliber, stamps them with its stamp; it makes of them what would imply a contradiction if they were not, without which they would not be able to subsist, in centralized, democratic and unitary France: establishments like itself, no longer of private exploitation, but of public utility.

A similar influence will be exerted by the Society on the retail trade. The Society of the Exhibition setting the tone for *wholesale* trade, retailers would soon be driven, by public clamor and the force of circumstances, to put on sale only products that had passed through the hands of the new Society, that is to say appraised and estimated, and which they would expose in turn, with the reports of expertise, to the eyes of amateurs and shoppers. By this means, the retailer, obliged to inform the buyer of the *wholesale* price, will have to content himself with a moderate, avowed profit, the penny for a franc, for example. And while under the old commercial regime, the wisdom of the legislator could only lead, with regard to patents, to this inept formula: *without government guarantee*, the consumer, small and large, will have his wine, his oil, his linen and all the objects of his consumption *with guarantee from the Society*.

§ 9. — *Advertising office.*

The current trade has as a rule to establish the most absolute secrecy on its operations. *The secret is the soul of commerce*, the saying goes. To prevent all direct relations between producers and consumers, to impoverish each other through ignorance, the difficulties of reconciliation, the risks of transport, the hazards of the market, the uncertainty of needs; in a word, *to fish in troubled waters*, such is the art and such is the object of trade. The Society of the Exhibition replaces this abusive secrecy, which only benefits intermediaries, with the most complete publicity. We have already said, in Section 1, under what conditions of declaration of price, origin, quantity, quality, weight, the products and goods would be admitted to the exhibition; but the publicity of which we intend here to make a law for the Society is not limited there: it extends to all the acts of the Society itself, as much at least as these acts do not compromise third party depositors or adherents, having the right to the processes of their own industry, the success of their business, to secrecy.

In short, the Society, if it is bound to keep the secrecy of others, has itself none for the public, which is and must remain in all and for all its sovereign.

Like the Banque de France, the Society of the Exposition will publish a status report every week; — likewise, like the dock, navigation, mining and railway companies, it will have an accredited organ, appearing one, two or more times a week, and destined to receive all official communications of the Society: statistics, price lists, existence in stores, in the Docks, warehouses and halls, transaction movements, exchange rate fluctuations, etc.

Faithful to its principle of abstention, the Society neither publishes nor subsidizes a journal, the editing and review of which, even as far as the Society is concerned, must remain completely free and independent. It confines itself to dealing with it for all insertions and publications at prices and; ordinary newspaper conditions.

Each year, or twice a year, the Society will publish a general balance sheet, detailed by chapters and articles, such finally as one can require of a public establishment intended to serve as type and model, as well for the organization, service and accounting, only for loyalty and justice.

Everything that may interest public curiosity in the constitution, management, trends and projects of the Society: personnel and equipment, salaries, wages, rents, contributions, office

expenses, encouragements, rewards, bonuses, medals, relief and pensions, receipts of all kinds and by category, deposit, storage, commission, discount, interest, statistical details, operations, transactions, sales, exchanges, investments, quantities, qualities, weight, price, *maximum*, *minimum* and average, the report of the annual and half-yearly Society must say everything, subject everything to the oversight of public opinion, expose everything to the gaze of the master, who here is none other than the public itself.

The Society will do more.

Expression of science as much as of public utility, it will publish from time to time in the sheet that will serve it especially as an organ, and with the voluntary assistance of the editorial staff, a Review of the most interesting economic facts of the country and of the globe; it will elucidate its principles and laws; it will show its aberrations and anomalies; in a word, it will neglect nothing among all the things that can contribute to the economic education of its shareholders, members, principals, customers, as well as to the industrial and mercantile reform of the nation. It is by shedding light that the Society will extend its power to the inside and outside; it is by justice and science that it will seize the government of interests and the scepter of the world.

The preceding articles, forming the whole of Chapter IV and the series of the main operations of the Society, are not the result of our personal inspirations alone.

Wishing to give our project the character of the greatest generality of opinion, and to make it, as far as possible, the expression of the most advanced industrial democracy, both in practice and in speculation, we have consulted and compared the largest number of publications made over the past six years on the subject; we have extracted their substance; we interviewed the men most remarkable for their intelligence and their experience, those whose probity and devotion could be a guarantee of certainty. We have not neglected either the opinion of business people who, ignorant of any consideration of party, even of philanthropy, could enlighten us on a foundation of such decisive importance.

We believe we can affirm that if the ideas that we have just developed, in substance and even in form, are essentially *ours*, in the sense that they all derive from superior principles that we have issued and supported more than once, and that they are all so many particular cases of a general synthesis of the moral, political and economic sciences, the construction of which we work every day; in fact, the priority of emission, even of application of several of these ideas, belongs to others, of which it is all the more pleasant for us to recognize the right, that we find there for ourselves a guarantee more certainty.

We will mention by name, for the § 3, 4, 5 and 6, Mr. *François* COIGNET, manufacturer in Saint-Denis, one of the most recommendable industrialists of the department of the Seine and of our most enlightened, and of which we have made it our duty to follow step by step the work that he was kind enough, at our request, to do on the projected institution; for the application of the *Rate of exchange*, § 7, M. d'ESCLÉE, author of several publications on the matter, a man of intelligence and devotion, whom long and hard trials have instructed, and whose merit we love to all the more to raise as others seem to ignore it.

CHAPTER V

ADMINISTRATION OF THE SOCIETY

We will only mention it briefly here, to say that it must be organized on the basis of the broadest democracy.

It will consist of:

1. A board of directors of twenty-five members;
2. A management committee of three members, with its hierarchy of employees by divisions, offices, etc.;
3. A supervisory committee of five members;
4. A jury of expertise;
5. A foreign exchange commission of three members.

In principle, the board of directors is elected by the general assembly, and renewable from year to year by fifth.

The interests of setting up the Society, the right which belongs to any initiative, seems to us to require that out of twenty-five members, at least fifteen be taken from among the founders of the institution, among whom it will perhaps be appropriate to call the best known and most honorable names in the industrial democracy. We have cited a large number of them; it will be easy to find others. The Society has the greatest interest in enrolling, either as administrators, or as department heads, or as correspondents or branch managers, the men who, for years, through all the sacrifices, all the difficulties and the disgusts, have prepared the economic ground, in order to, so to speak, bring the institution to maturity. These men, through their relationships, their interpersonal skills, their entourage, their unflinching devotion, seem to us to be the most capable of leading the institution to a successful conclusion, and with all the speed of which it is capable.

To these fifteen founders will be added ten men, chosen as far as possible from among the industrial notabilities, whose name first commands consideration and confidence in the immense class of producers.

No changes will be made in the board of directors during the first five years, except in cases of death or resignation.

After five years, renewal will begin to take place, by lot, and replacements will be made by the general assembly.

The steering committee will be chosen by the board of directors, either from among its own members or outside.

The two commissions, monitoring and exchange, will be elected by the general meeting; the jury of expertise, appointed by the board of directors.

The heads of cash and accounting will be chosen by the supervisory board; all other employees are appointed by the Steering Committee.

Moreover, the Society, although an essentially public institution, stripped of all private character, is independent of the State, which exercises with regard to it no other action than that which belongs, by virtue of the law, to the public prosecutor and to the Council of State, with regard to all trading companies.

The Society does not create industrial shares or dividend-right shares.

By the nature and purpose of its constitution, its shares of capital, although bearing interest at 4 percent, guaranteed by the State and eligible for a dividend, can hardly rise more above par than they can fall below it. On this side, as on the other, any agioteuse speculation, any realization of premiums is impossible for the founders, administrators, directors, etc., as well as for the shareholders.

In order to give to its administration the energy that characterizes enterprises of private interest, there shall be made each year, out of the net proceeds of the Society, a deduction of, x percent, intended, in addition to the fixed salaries, for the remuneration of the personnel.

All the employees of the Society without exception, from the board of directors down to the last laborer, will be entitled to this deduction, in proportion to their salary and the net product obtained by the Society *in the division of the service of which they are a responsible party*.

In view of the possible reductions in the rate of commissions and discounts, the amount of the deduction intended for the remuneration of the personnel will be calculated each year in such a way as to add to the salaries and wages an increasing fraction, from one tenth to one half of the figure of the wages and salaries, so that, the affairs of the Society becoming more and more prosperous, the income of each employee may, if necessary, increase progressively, in five or ten years, by 50 percent.

On the amount of the levies, a proportional deduction will be made, serving as an emergency fund and a retirement fund.

Apart from the functions of directors or members of the supervisory and exchange commissions, which depend on the general meeting, any employee of the Society may aspire to the highest ranks in the hierarchy. Promotions are conditional on ability and seniority.

However, the service of the Society being the supreme law, and the capacity of the employee not increasing with the number of years, it is established in principle, in the administration of the Society, on the one hand, that any employee may be admitted, at his request, to pass from one service to another, so as to develop his capacity, and consequently to maintain himself in his rank; on the other, that the management will have the right to attach to an inferior service the employee whose means or misconduct would no longer allow him to maintain the rank he occupied.

After thirty years of service, any employee of the Society will be entitled to a pension which may not, in any case, exceed half of the average salary that he will have enjoyed during his career.

Outgoing directors will be subject to special compensation, proposed by the supervisory board and voted on at the general meeting.

BENEFITS.

Each year, after the clearance of accounts, the net proceeds of the Society will be divided into two parts, one of which will be added to the corporate assets and applied to the development of the Society, and the other will be distributed, as of dividend, to the shareholders, who will then have to decide, in general meeting, according to the importance of this dividend, if it is necessary or not to reduce by a fraction, x percent, the rate of commissions, discounts and interest of the Society.

OVERVIEW OF THE RESULTS OF THE INSTITUTION.

The project that we have just developed and that we propose to carry out by imperial decree, by means of a conditional concession from the Palais de l'Industrie and an equally conditional guarantee of interest at 4 percent to the shareholders, can be summed up and defined in the following terms, which we recommend to the meditation of His Imperial Highness:

Organization and centralization of the exchange of products for products, according to the formula of J. B. Say, with the least cash, the fewest intermediaries, the least possible costs, and for the exclusive benefit of producers and consumers.

Such is the fundamental, scientific and juridical principle that dominates our whole project, and of which all the chapters and articles, however numerous we could have made them, however far they could extend, are always only rigorous corollaries.

Let us now examine, at a rapid glance, the consequences, first for trade, then for consumption, then for production and labour, for credit, for public order, for the working classes and for society as a whole, of the application of this principle.

Everyone is aware that the circulation of wealth, in other words, the exchange of products one for another, was early the object of a particular function or industry of society, left to the initiative, at the risk and peril, and as a result of the more or less abusive maneuvers, of a certain number of individuals designated, for this reason, under the title of *merchants*.

We also know what was at all times the influence of this class of society on general consumption, on the working class, on the public fortune and the mores of nations, and on governments.

The constant increase in the cost of subsistence, raw materials and products, sometimes scarcity;

The exploitation of the workers, the systematic pauperism, the constitutional misery, effects of a subversive circulation, of capitalist prelibation, and of the accumulation of the most positive values in a few hands;

The corruption of mores and their hypocrisy; domination of the State by a selfish and unprincipled caste;

Finally, revolutions without end, without efficiency, and therefore without goal:

Such are the fruits that mercantile anarchy has produced in all ages, in all countries, and that it is still producing among us.

At this moment, the price of all values has reached such an exorbitant rate that consumption becomes impossible, and the producing class, which should, precisely because it produces, be the richest, working class and middle class, sinks deeper and deeper into poverty.

The producer does not consume: such is the formula that can be given to the unknown evil that ruins and devours society.

For the producer to consume more, there are only two means:

1. To reduce the price of the products;
2. To increase the wages or income.

Let's take care of the first one first.

Until now, the lowering of the price of products has only been demanded of the wages of the workers, either by inventing machines which replace them, or by reducing, by the division of labor and other more or less economic combinations, the price, rate of labor. These means are nearly exhausted; and admitting that much remains to be done on this side, the experience acquired for a century among all the most industrious and commercial nations of the globe, proves that, far from slowing down, pauperism has only increased by the category of processes that we have just indicated.

And then, see the contradiction! The producer does not consume. Why? The product is too expensive. Why is the product too expensive? It is, they say, that the salary is too high. We reduce wages in order to reduce the price; but since this reduction in price has been obtained, the means of the producer to acquire have been reduced by the same amount, it turns out that nothing has been obtained; we have only gone through a vicious circle.

However, one thing remains to be done.

Instead of asking for a reduction in the price of products at wages, could we not ask for it at the expense of circulation itself?

If we examine the present constitution of commerce, we find, in fact, that on this side the price of products is increased, in addition to the factory price: by the interest of the capital employed in commerce, and of which the mass could be significantly reduced; the salaries of the staff, the number of which is also out of proportion to the service they render; the exaggeration of rents and farm rents; the enormity of overheads and incidentals; finally, everything that monopoly, agiotage and parasitism in all its forms deduct.

The sum of these increases, which we will designate with a single word under the name of *costs of circulation*, considered as intermediate functions between production and consumption, has been estimated for France by a conservative economist authoritative in this matter, M. Michel Chevalier, at *four billion*, or a third of total production.

Everyone knows that the legal rate of capital employed in commerce is 6 percent, while the interest of the funds placed on mortgage, or on the State, or engaged in industry and agriculture, is legally only 5 percent, 4 1/2, 4 and even 3 percent. As if the State had made it a law precisely to increase the charges and surcharges, taxes and surtaxes of circulation, of this world of parasitic intermediaries, which encumber the merchandise and prevent it from reaching the consumer, the producer. Society is full of these contradictions.

Everyone also knows that commission agents and brokers, shopkeepers and merchants take no less than 10, 12, 15, 20, 25 percent and above commission or profit in addition to other charges; and as if this pump of exhaustion were in its eyes a sacred function, the State took care to surround this staff of mercantilism with all the guarantees and privileges; it limited their number, it made them a monopoly, it gave them special judges, which it refused to political writers; it returns to them for their executions the summary and expeditious law.

Finally, everyone knows that in order to achieve the distribution of products, this anarchic trade is forced to use an innumerable multitude of employees, travelers and secretaries; to maintain an infinity of relations that intersect, counteract each other, contradict each other, neutralize each other, create inextricable embarrassments: the fortune of each tradesman being attached to the ruin of his colleague, who is his competitor and his rival.

Now, what the railroads have done for the carrier and courier industry, could we not do for commerce properly so called, in a word for exchange? Only, while in creating the Railway Companies, the State did nothing but replace a chaos of small monopolies by half a dozen large monopolies, more formidable for the country and for the State than the anthill of transport contractors and carriers had been, who reserve the largest share of the profit of the invention that they exploit, we propose to the State to organize, not a monopoly, — let anarchic commerce continue its expensive agitation as long as it wants, let it continue to make victims if he finds any, — but a central Society of direct exchange, guaranteeing the product in quantity, quality and price, making the discount at 1/2 percent, and contenting himself for his commission with 2 1/2 percent in maximum: the profits of the exploitation having moreover to be shared between the consumer-producers, called by preference to subscribe.

This is the starting point of the new institution, the consequences of which we will now explore:

1. If then, by the system that we propose to establish, the costs of circulation and exchange, that is to say of the intermediaries between production and consumption, — costs that amount today to 35 percent, according to the testimony of M. Chevalier, — were reduced at the first attempt to 5, one seventh of the current expenditure, it is clear that the price of the products would decrease on the whole by 30 percent, that is to say that it would generally consist only of production costs, increased by 5 percent for exchange.

The first effect of the institution is therefore to create *cheap life*, that dream of Henry IV, pursued by some generous minds of our time.

2. If the price of products decreases, consumption increases accordingly, and consequently well-being. The circulation, from poor and feverish as it was, becomes full, active and regular. We are touching on the health of the social body, on normal life.

3. Consumption restored, ordinary production becomes insufficient; the outlet calls for the product, as the stomach of the convalescent calls for food. Hence a greater demand for labor and arms. What a service to render to the city of Paris, to the departments, to commerce, to the empire, crushed under the enormous expenses of the works, of structures, which cannot last long,

and whose dubious usefulness involuntarily reminds the minds of the too famous *national workshops!*

4. With the greater demand for work, not only will the multitude of downgraded or unemployed workers find employment; the rate of wages will begin to rise again: a double advantage, on the one hand for the worker, who can profit from the rise by the cheaper products and by the increase in his income; on the other, for the State, which finds itself rid of an expensive clientele, and which sees the time of unemployment and strikes slipping further and further away. Without the intervention of the police and the courts, the Society of the Exposition, through its economic action, reestablishes order in the workshop as it does on the market. It doesn't need to look behind it; all it has to do is march.

5. The Palais de l'Industrie has received, it is said, this year, samples from twenty thousand producers! Let us take this figure as a hypothetical basis for the number of producers of all kinds, to whom this magnificent bazaar will serve as a display and a stall; the assumption is modest, since with the addition of the *docks, halls* and other warehouses, which will serve as auxiliaries to it, the Perpetual Exhibition must take on a much more considerable extension.

Here, then, are twenty thousand manufacturers who no longer need *shops*, and whose trade, perfectly organized, presents serious competition to the partisans of the old system. Do we believe that there is not here an energetic force to compel, by the most legitimate means, the landlords of Paris and the cities to notably reduce the rate, now truly tyrannical, of their rents? Is it believed that the small retail stores, affiliated with the Society, as we have said in chap. IV, § 8, will not here be the irresistible agents of this *revolution of the shop*, as well from the point of view of the retail trade as from that of property?

6. The movement won't stop there. As soon as the shop becomes useless for the producer, the residence on the street, in the main streets, on the quays and the boulevards, in the center of the estates, is no longer necessary. They can scatter in the suburbs, the districts, the smallest hamlets. With *cheap living*, demanded by M. Delamarre, we have *cheap lodging*, demanded by everyone, which it is in the power of no one, except the Society of the Exhibition, to procure.

7. We have said, on the authority of M. Chevalier, that the levy of intermediaries, merchants, monopolists and parasites, on the general production, was about 35 percent, representing a total sum of 4 billion. Let us suppose that, by the development of the new institution and its establishment throughout France, this sum of expenses is reduced to only 1 billion. The 3 billion abolished, or to put it better saved, and representing part of the labor now available, part of the capital interests also made available, it is indubitable that this labor and these capitals relate to production proper, that is to i.e. industry, agriculture, shipping, etc.

Thus, industry which languishes for want of capital;

Agriculture which is in despair for lack of the promised credit, and which the defection of capital robs it of;

The spirit of enterprise repressed everywhere, unless it obtains, at God knows what price, the *exequatur* of Pereire, Mirés and consorts;

Everything that constitutes the national labor, in a word, will receive new life, new vigor! There is no need here for the treasures of California and Australia: a simple movement is enough. The traffic service is too expensive; it absorbs too much capital: it is necessary, by organizing the circulation, to transfer these capitals from the venous or lymphatic system to the muscular system: and the nation will be restored to health; the patient will be able to laugh at the doctors.

8. To produce more, to increase the reserves, to reduce the amount of capital employed, all this amounts to saying an increase in capital.

But the more a commodity increases, the more it is offered: the more it is offered, the more its price falls. So we have *cheap capital*, like subsistence and domicile, sponsorship at a discount. It is then, and only then, that the Emperor will be able to resume the realization of his idea of an institution of land and agricultural credit. The Society of the Exposition, through its advances and product services on mortgages at zero interest, revolutionizing livestock leasing, will open the furrow and trace the method.

9. Once engaged in this current, it is no longer possible for the Society to stop. Do we not see at this moment the peasant of Picardy, of Beauce, of the best regions of France, restricting his exploitation, limiting his expenses for maintenance and improvement to what is strictly necessary, and reserving his savings for the loan, because he considers that the interest of 4 1/2 which the State offers him is more lucrative than the revenue from the land?... The same motives existing in industrial labor, the landowners will be forced to reduce the price of their land rents, much more, to sell their land. Then, with the inevitable reduction in the price of leases, this other wish of political economy is realized: *the land to him who cultivates it*, land rent to the State and to the peasant.

Undoubtedly, it is not from the first day that we can see these magnificent hopes realized in their fullness; but can it be denied that in society good and evil do not go together, and that, as the deterioration of the blood produces, in the long run, the dissolution of the organs, in the same way its purity and its richness bring their beauty and their energy?

10. Then the nation will be able to proceed together to the great works of improvement of the soil and of colonization, which, for twenty years, all the economists, traditional and progressive, innovative and immobile, claim for it: drying out of the marshes; the Sologne, the Camargue, the coasts of the ocean to conquer; reforestation, irrigation, drainage; — with the means provided by steam navigation, the extension of French territory to the Atlas, and, if we dare say so, the absorption into old Gaul of northern Africa... All the obstacles attached to colonization would be lifted: the Society of the Exhibition provides the material means; it is up to the State, by continuing along the path that it will have opened, that it has already opened up through its system of loans, to then substitute colonization by everyone for colonization by companies of monopolists and the creation of fiefdoms.

11. But we would not respond to the Emperor's desire and to the desire formally expressed by him, if, after having shown the effects of the new institution in what concerns the amelioration of the lot of the workmen, life at cheap prices, the more abundant and better remunerated labor, we

did not bring out the consequences which the Society is destined, very soon, to produce, relative to their independence and their emancipation.

By eliminating, as we have done, the army of parasitic intermediaries, and by organizing the circulation of products through the sponsorship of the producers themselves, we have inverted the relationship that unites, in the social economy, the two great industrial powers, namely: *labor* and *capital*.

Labor was dominated and serf; — now it is emancipated and free.

It took orders from capital; — now it is labor that commands and who intimates to capital its own wishes.

From subordinate, labor has become master; on the other hand, from tyrant and plunderer, capital has become an obedient and useful servant.

What did we do to achieve this result? Nothing but open an asylum to producers in the Palais de l'Industrie, to put them all in the presence of each other, to teach them to know each other, and to propose to them, without it costing them either pain or sacrifice, to do their own business.

It is on this general INVERSION of economic relations that we have based the new system of public order to which, according to us, all of France, but above all the working-class democracy, aspires; it is with the help of this permutation of authority that we have proceeded to restore the balance of social forces.

Let us now consider the situation of the working classes in this new regime:

12. There are twenty-five to thirty thousand silk workers in the city of Lyon alone. This famous corporation extends far into the countryside of the departments of the Rhone and the Ain; the dearness of rents and subsistence drives them more and more out of the city into the rural communes, where misery continues to pursue them.

These workers, without relations among themselves or with the consumer, native or foreign; without any knowledge of commercial matters, have been from time immemorial the fruitful mine that enriches a whole people of brokers and merchants, a selfish, rapacious race, foreign to all human feeling, as much as to work itself.

The worker labors; the merchant and the agent reap and enjoy.

The worker produces; the merchant and the agent exhibit. How many names of silk workers arrived at the exhibition?

The merchant, through his capital, monopolizes the raw material; the broker monopolizes the order: both of them, united to exploit this branch of industry, leave only a meager wage to the worker, to the producer. That which is sold to the consumer at 10 francs by the intermediaries, speculators and parasites, cost 3 francs to manufacture!....

With the Society of the Exposition, the parasitism of shopkeepers and jobbers was eliminated; the workman obtaining *advances of raw materials against products*, becomes, without it costing him either a minute of his time or a penny of expense, his own merchant, his own agent. A part of the enormous overload that weighed on his product falls into his purse; the other part is subsidized to the consumer.

What we say of the silk worker, must be said of the ribbon worker, who peoples the mountains of Forez, of the trimming worker, who formerly filled certain districts of the capital, and whom poverty, the effect of exploitation begins to push towards the plains of Picardy, where, far from commercial relations, his enslavement is consummated.

Finally, it must be said of all the professions in which the worker labors at home, while his product is grouped, agglomerated, tossed about by speculator entrepreneurs.

13. Now, what the homemaker will obtain immediately from the society of the Exhibition, the worker in the workshop and manufacture will also obtain, but on one precondition, *association*.

After the revolution of 1848, the government, feeling the need to do something for the working class, tried to sponsor, at the expense of the Treasury, some associations. The success obtained by this kind of relief has been more than mediocre; if the state begins to sponsor labor, the state is lost, and, what is worse, disorganization sets in in society.

In principle, the State should no more sponsor labor than become industrial or commercial: its role is to warn, to excite, and then to abstain.

But let workers' societies be formed for the exploitation of industries that require combined, divided and grouped labour, such as those that already exist in small numbers in the capital, then the Exhibition Company can come to their aid and ensure their existence; — what do the societies of cabinetmakers, pianists, turners, filers, for example, have not to gain with the new institution?... And this movement commenced, who does not see that the current will carry along all with time: manufacturing, metallurgy, coal, gas, navigation, railways? Soon, under the pressure of the popular idea and of public conscience, all these establishments of monopoly, all these fortresses of privilege will have to be liquidated, and financial feudalism will make its night of August 4th. So, obviously, the democracy belongs to the power that will have opened this wide floodgate to it, and, with the democracy, society.

14. Let us rise to more and more general considerations.

The worker emancipated, no longer by a vain declaration of civil, political and humanitarian rights, by an impotent exercise of universal suffrage, by a fallacious promise of sponsorship, by the help of an insulting philanthropy, torn from the rich classes by means of arbitrary, vexatious and always insufficient taxes; but by the sole organization of the faculty of exchange, the emancipated worker, we say, the proletariat vanishes, since there is no proletarian except one whose labor is without guarantee or independence, or who even has no work. The doctrinaire dream of *middle-class government* becomes a truth; for the whole nation is entering the middle class, and can no longer leave it.

Another dream, regarded in recent times as the most dangerous of utopias, finds its realization: it is the *Right to work*....

A third chimera, declared such for fifty years by all the economists, and placed on a par with the squaring of the circle and the perpetual motion— *the extinction of pauperism, the abolition of begging* —appears as a truth of common sense.

And what will it have cost the state to produce all these things? —Nothing.

What effort of genius to solve these insoluble problems? — None.

What stroke of sovereign power to defeat these monsters? — Not a snap of the fingers.

"Diseases cannot be cured, as is believed, by a direct curative or creative action of remedies," said a physician friend of ours; — "medicines, whatever they may be, like surgical operations, serve only to place the organic forces in the presence of themselves, and, this bringing together effected, nature heals itself all by itself."

We have brought together the productive forces, and society heals itself. The Emperor can reign: neither he nor anyone else governs.

15. A scourge of modern society, founded entirely, as we said at the beginning of this project, on the unintelligent division and alienation of the public domain and universal antagonism, is the subversive, unfair, destructive competition of labor and capital. We would be failing in our duty if we did not recall here the work, full of eloquence, which produced, a dozen years ago, such a lively sensation, by M. Louis Blanc.

Another plague is that of counterfeiting, to which are added falsification, poisoning, fraud, theft.

A third scourge, more hideous still, because it comes from higher up, is the canker of agiotage, which, from the luminaries of finance spreading to peasants and porters, causes labor and culture to desert for the Stock Exchange, and defies all the skills of the judicial police, all the rigors of the prosecution.

The new institution puts an end to all these detestable practices.

Competition resumes that character of honor, of liberal and fruitful emulation that made it one of the forces of Revolution of 89, when it was necessary to fight and overthrow, with the last vestiges of noble feudalism, the system of monopoly created in the Third Estate by the routine, imprudent policy of the ancient kings.

Counterfeiting! How would it be possible with the system of high and universal guarantee created by the Society of the Perpetual Exposition?

As for financial agiotage, the demoralizing and sterile gambling on industrial values, it must gradually decrease, as society takes hold of the circulation of products; as, by the emancipation of the worker and the working organization, it will save these products from speculation; as, under its powerful influence, the conversion of the present great companies of capitalists into companies of producers and workers will begin.

Soon of agiotage there will remain, as a few years ago, only the public funds, the 3, the 4 and the 4 1/2 percent. But in the face of the lowering of the rate of interest, produced by the new circulation, is it not permissible to hope that the State, from conversion to conversion, will arrive at the repayment of its debt?

16. We explained ch. IV, § 7, in dealing with the pricing of the exchange, how, in the forecasts of the Society, there should take place, in a imperceptible and sure manner, the reform of the currencies. We will not return to this subject, one of the most difficult in science and the most fruitful in terms of results.

But, after having regulated the change internally, will not the Society have the power to regulate it also externally?

Who does not see here that the producers and traders of the country will show so much eagerness to make use of a paper which, always reimbursable, saves them 4 percent interest in all their transactions, as many foreigners, Belgians, Germans, Swiss, Americans, English, will seek this same paper whose employment provides them, *ipso facto*, on all their purchases, a saving of 4 percent.

Now, once the exchange paper of the Society has been introduced into the commerce of nations, the Society of the Universal Exhibition governs the commerce of the world; the dethroned metal only fulfills a secondary role; customs loses with it its first and principal reason for existence; and while the protectionists and the free-traders argue about their systems, equally false in their absolutism, the government, supported by the new Society, following the movement that it indicates to it, gradually lowers its customs tariff, gradually eliminates the articles that the good market created by the Society protects better than its administration, and prepares to seize the preponderance on Europe by the definitive suppression of the barriers.

.....
We cannot, in this short exposition, deal in depth or even enumerate all the happy consequences that the Society of the Exhibition must develop, either in the economic order, or in the political and moral order.

We would have liked to be able to say, for example, how it creates the most complete liberty of the man and the citizen, without any risk for the State, and on the contrary with an increasing advantage for the power; how, in a word, in this system of reciprocal guarantees, the more liberty manifests itself in the literature, newspapers, political and economic discussions, association, meetings, etc., etc., the stronger the government feels and the more free from harm.

Let it suffice, for the present, to recall this single fact rendered, by this exposition, indubitable, palpable: namely, that the projected institution has the immediate effect of converting the present anarchy and Jacobinic demagoguery into an organized democracy, solidary, compact, as much a friend of order as it is ardent for progress, and to place this working democracy in the alliance of the government, in opposition to the financial and mercantile, speculative, corrupting and absorbing feudalism which, with the Church and the old parties, threatens to annihilate, under the ruins of the new empire, our old Revolution.

We will end by giving here the profile of the Society:

The purpose of the Society of the Perpetual Exhibition is:

1. The direct exchange and at the lowest possible cost of products for products, by means of a general exchange voucher, reimbursable on any requisition, either in goods or in cash, at the offices or stores of the Society;
2. The discount of goods, raw materials and products, either against general exchange vouchers, or against cash;
3. The discount of trade bills with two signatures;
4. Advances and loans of products on products and on mortgages;
5. The regularization of the exchange and the equilibrium of values;
6. Publicity, good faith and guarantees in transactions.

This Society is founded with a capital of 100 million francs, divided into shares of 100 francs, payable one-tenth in cash, and nine-tenths in products or merchandise. These bearer shares bear interest at 4 percent, guaranteed by the State.

Preference in subscriptions is given to producers and industrialists over all other capitalists: the institution having as its object the re-establishment of the natural relations between production and consumption, altered by the exaggerated and abusive intervention of capital.

The Society prohibits to itself in the most formal manner:

Manufacturing (industrial, agricultural production, etc.), of any kind;

Commerce on its own account;

Stock market transactions on government securities and equity securities;

Limited partnerships.

The rate of discounts in general exchange vouchers is provisionally fixed at 1/4 percent; in cash, at 4 1/4.

The rate of its commission at a maximum of 2 1/2 percent.

It also receives, on the goods entrusted to it, a warehousing, deposit and advertisement fee, all calculated on the cost price.

The conditions of admission to the Society are:

1. Subscription of a number of shares proportional to the importance of the client's industry and business;

2. Deposit of samples of goods with indication of price, valid for at least three months, trademark, designation of quality, quantity and weight;

3. Promise to supply the Society, at the agreed price and in the designated quantity, with the products produced by the subscriber.

The duration of the Society is 99 years.

The operations of the Society will begin as soon as *one million* shares have been subscribed.

Consequently, and given the reasons for the project and the conditions announced:

The Imperial Government makes a concession to MM. *X, Z, Y* and Company, of the Palais de l'Industrie, with its annexes and dependencies, in perpetuity, that is to say for as long as the institution lasts.

During the first three years of the Society, from the day of its incorporation, the concession will be made free of charge. — From the fourth year onwards, the Society shall pay to the State, as rent, an annual sum, calculated at the rate of 3 percent on the amount of the expenses of the *Compagnie du Palais*.

The government also guarantees interest at 4 percent of the shares subscribed.

END.

Working translation by Shawn P. Wilbur.