

TRANSFORMATION
OF THE
REPUBLICAN GOVERNMENT
AND OF THE
PARLIAMENTARY POWER
BY THE
FEDERATIVE PRINCIPLE:

THE COMING OF THE PEOPLE
TO PROPERTY

BY
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I speak without fear; I speak what I
know, and what I believe just.
Page 9.

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WORK BY THE SAME AUTHOR:

SOLUTION OF THE SOCIAL PROBLEM

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This work of 140 pages, is an abbreviation of the ideas of great economists. The author, raised in the working class, is not a man of letters. His only aim, in summarizing the ideas of the thinkers, is to make them better appreciated by the working classes, who do not have the leisure for meditation, and who, nevertheless, can only attend to the amelioration of their condition by themselves and by liberty.

The questions of the value of products; of credit; of monopolies; of agriculture; of the formation of property and of land rent; the exploitation of public services by the workers companies (railroads, etc.); the mutuality or federation of the producer-consumers; the notions of human morality, etc., are presented without abstractions, but with the idea of justice, such as common sense conceives them.

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I

This small work is like the prologue or epilogue of our work entitled SOLUTION OF THE SOCIAL PROBLEM. In denying in that brochure the governmental power, we have taken care to reserve to it the power of legislation alone, thus making *an agency* of government; thinking that the intervention of any power in the discussion of the laws, and *above all* its ponderative power, was a hindrance to the advance of affairs and to the realization of progress.

What we have not said is that in a large state such as France, by the concentration of power, universal suffrage is rather a spontaneous act, or the variable expression of some political sentiment, than a reasoned manifestation of the reforms to be accomplished. It is that idea that led us to say on page 123 that “in the spirit of the Revolution, the legislative power, in imitation of the ancient estates general, must be formed of the various fractions of labor that contribute to the production of wealth;” which would give the impression that we think of returning to the vote by orders, as before 89. Such was not the basis of our thought, our intention being only to demonstrate that because of the diversity of interests, presently universal suffrage was like a plebiscite, powerless to solve any question of social economy. If there was confusion or omission in the exposition of our ideas, this work is for the sole purpose of putting it right.

If, as we believe, the French nation is ripe for political and social reforms that it has still not been able to clearly define, it is because the method that must serve for their emergence and would permit their application is completely lacking to us; that method is not an innovation, for it exists, it is put in practice for politics, in several nations, and offers us the guarantee of experience: it is the *federative principle*. We hope to demonstrate that by federative politics and decentralization, the era of sterile agitations will be brought to a close. And universal suffrage will open that of the powerful action of the populations, and the sovereignty of the people, which is still only a fiction, will be realized.

II

State of minds.—Critique of the political parties.

Truth is one; it is accessible to all men; and if politics divide us still, it is because it contains erroneous principles. “When Caesar came among the Gauls, he found them devoted to religions, divided among themselves, and given to superstitions.” If he returned today, he would find us devoted to government, divided among ourselves, and given to the authoritarian superstition, that is to say all still waiting for a *good Government*.

Once the people, weary of praying and especially of hoping for its health from celestial powers, imagined the proverb: “Heaven helps those who help themselves;” which seemed much better to them than to wait. Will common sense, always so practical, soon do with government as it has done with heaven? We hope so. And if it has got along well without the one, it will do as well without the other.

The idea that we have of politics and social economy is still so spontaneous, the reflection that enters into it still so little, that arbitrariness is the soul that inspires all the parties, and few men know how to give an exact definition of it. Here, one claims that there is never enough liberty; there that authority is lacking everywhere.

In the name of the liberties that they call for, the monarchical parties believe they can impose their authority on us, govern and discipline the masses, or restore all to order, and through the reason of state, preserve their privileges. Just the same, under the banner of that liberty and in the name of human right, the communist-collectivist party claims, by imposing itself by force and violence, to decree *from authority* the general expropriation and to regulate all interests.

Between these two parties, there is a nation that wants the Republic, and cannot give itself to one or go to the other. But it is divided itself into various factions: intransigents, radicals and opportunists; the last of which govern the nation until a new order is established.

With the political unity and the centralization that are so dear to us, *national unity* is precarious¹ and no serious progress can be realized. Indeed, do we not see all the parties of the opposition, arrived at power after realizing promised reforms, condemned to retract them, shelter themselves in opportunism, and, in order to sustain their power, to live only by expedients and in their falls to disappear before public scorn. But in the absence of principles and necessary means, we are also condemned to raise again with one hand what we have destroyed with the other.

The legislative body is indeed the delegate of nine million electors, who, having only the sentiment of their individual interests, pay no heed to the general interest. Thus, the delegate has from this fact only a confused and indefinite mandate. We ask ourselves what it could well

¹ Who has not heard of the Ligue du Midi for national defense in 1870 “and of the separatist rumbles”? See the *Petit Journal* of February 1, 1883, which related to this subject the chronicle that M. Alphonse Esquiros made of it in a posthumous writing.

represent or do before the colossus of governmental concentration, where so many interests come to lead, which is the dispenser of the general interest. From that same fact, the national representation is paralyzed and subordinated by the government formed by the same majority; it is nothing more, as Paul-Louis Courier said, than a machine for voting.

Thus the agent, always dissatisfied with his representatives, abandons them, but for lack of better or in order not to fall into worse, they renew their mandate. It is thus that happened everywhere October 18, where the radicals have been forced to transfer their votes to the opportunist party. Morally, it is thus the minority that represents the nation. We call that the unity of the republicans. It will not be long before we see the fruits of it.

The development of industry, by attracting the laborer from the field to the factory, has led to the shortage of arms in cultivation, but one wards off that inconvenience, by receiving the foreign worker who invades us from every direction. By abandoning our fertile soil for fabrication, it has happened that industrial production is disproportionate to our needs, which makes us undertake distant wars in order to establish our domination and to open outlets, where the *respect for existing treaties* was sufficient. The competition between nations leads to international rivalries, the encumbrance of products, the lowering of wages, and finally the poverty of the worker; and the armed peace that we enjoy, being the fact of commercial antagonism, presents the perspective of the wars by which Europe is threatened.

Spirit of insolidarity. — The industrialist and the merchant for their products; the proprietor for his rents; the capitalists for their incomes, dream only of increasing their revenues without proportion to the services that they render.

The money-handlers, perverters of partnership, are irresponsible in their fraud and agiotage towards their shareholders, whom they ruin “because,” the advocate-general M. Oscar de Vallee said, “the magistrate is disarmed, powerless, before acts that the law could not foresee.”

Alone, the worker who has only his arms, bears the depredations of speculation and agiotage, and in his distress, has no recourse but the strikes that still turn against him.

But there is a reaction, or rather repercussion, of evil in society, for “the law of solidarity,” says George Duchêne, “of which we lack consciousness, tells us that where conditions between exchanging producers are not equal, here is revealed scarcity and there glut. The proletarian, unable to buy back his product because of the prelibation taken from his wages for the profit of capital, remains there, emaciated, ragged, feet bare, before the window of the grocer, the tailor and cobbler, whose shops overflow with merchandise without buyers, and who march to bankruptcy as surely as the other to consumption.”

We believe in progress, but the reflection we would make to discover it is offended by the exorbitance of our *self* and our prejudices. The spontaneity of our mind, not permitting us to doubt our ideas, makes us doubt the social sciences, which we regard as utopias. Thus it was formerly for the discoveries of genius; and the first who, in astronomy, affirmed the movement of the earth, was dismissed from opinion, and suffered the pains of the inquisition.

We periodically change the form of our government, and we shuffle in place. In rejecting social science, the democracy is without point of reference; it is only a party divided and powerless, which the people are busy abandoning; remaining authoritarian and governmental, parodying the monarchy, it would only know how to stake the destinies of the nation on the political chessboard; having understood nothing of the spirit of the Revolution, its career is finished; it is nothing more than a cadaver, over the scraps of which the gathered crows and vultures will soon argue, while waiting to devour it between them.

What then is the spirit of the Revolution?

In times past, the Roman rabble demanded from its masters *bread* and *circuses*. The French people, raised by themselves to the dignity of citizen, understand that their labor makes them live, but they demands the liberty for which they have shed their blood. In their simple and colorful language, liberty is also the means of acquiring by education the bread of the mind. The people have a feeling for the just; they tell themselves that they must be more than an instrument of production. The man of the people is a man. He knows that all wealth comes from labor, and that, by a false division, those who produce little or nothing have the best part. He senses that the social question is no longer but a question of just accounting. There is no “vile multitude.” In the name of human morals, he claims his right to instruction and individual dignity.

Such is the spirit of the Revolution. And that spirit will make mincemeat of communist despotism, monarchic authority and the bourgeois *status quo*, which reigns today.

I speak without fear, I say what I know and what I believe to be true; I seek to build on the reasonings of my opponents. Michelet has said that “the people are worth more than their leaders.” However we think that good faith is found at the base of the violent passions that animate the parties. Our critique is only addressed to ideas; despite the intensity of our words, we always mean to respect persons.

III

Authority & Liberty, definition of these ideas.

This first section, the most important in this work, is the key that must serve to orient us; it is the only one that deserves a bit of the attention of the reader. The definition of principles clearly established, there can no longer be confusion; for order in ideas is the point of departure for order in society.

Politics rests on two principles that contradict one another: they are authority and liberty. Authority tends incessantly to absorb liberty, to concentrate government in a single, homogeneous power, with the sole aim of administering the interests of the different groups that make up the nation. Liberty, on the contrary, calls for independence in order to leave to the various groups the administration of their individual interests. But it recognizes the necessity of the union of these groups for the service of interests of the general order, in order to constitute, not political unity, but national unity. Such is the federative principle,² which has decentralization as a consequence. Thus political progress is inevitably accomplished by a movement of alternating agitations of liberty and authority, that is to say of federation and political concentration.

Primitive inconveniences of federations. — In Gaul, federation united the different tribes. But as in the Greek Amphictyonie, the rivalries of the groups rendered the federal link precarious, and Roman centralization incorporated them into the Empire. Centralization or political unity has been necessary, it was necessary at the origin to subdue the undisciplined tribes; to group towns that were isolated and opposed in interests; to found, along with political unity, a collective force and a common right. Such has been the result of the formation of the great empires, to which we owe the first notions of right and our civic education.

Federation could not accomplish that educational mission at first “because it is liberty and autonomy.” But if that liberty should disappear it was never crushed; and if, originally, the drawbacks of federations have caused it momentary disappearance, history testifies also that the

² FEDERATION. Union, alliance of the various groups that make up a nation, in order to guarantee to each its right and its liberty of action. Pact made between the groups in order to constitute national unity, subordinating the interest of each to the general interest, but where the deliberations of the representatives of each group can be carried out only by the ratification of the popular vote.

ECONOMIC FEDERATION. Treaty, contract, commerce between several producers-consumers mutually guaranteeing, either the sale or the purchase of products, the quality and fair price, etc. What produces the strength and prosperity of federations is that authority and liberty, clearly defined, are always in equilibrium there and give a powerful spring of action and initiative to the populations.

POLITICAL UNITY. Here it is just the opposite that takes place: authority constantly absorbs liberty, which creates the spirit of isolation and the powerlessness of association. The nation, always minor, makes use of the liberty that it is given only in order to destroy it; it is on the slope to a government of one alone, becomes stationary and even retreats in proportion to the sovereign power.

faults of political unity are no less and have always caused the ruin and the disappearance of great Empires.

Disadvantages of political unity. — To discipline the liberty of groups and unite them, by interesting them in the general interest, allowing them independence for the respective administration of their interests, such should be the aim of political unity. But in the role that it still fills, it is not thus; and what has rendered it precarious and unsteady is that, having destroyed the liberty proper to each group and killed the local life, it is obliged, not having the gift of ubiquity, to delegate power to its creatures for the administration of each region, and for the exploitation of the public services, to exercise them by itself or to concede them as today with onerous privileges to the speculation of the looters of business or agents. This is what raises the vague demands of liberty, and the protestations against the waste and the enormous costs that this system engenders.

Equilibrium of authority and liberty. — If in the evolution of societies, authority and liberty cannot be destroyed by one another without danger to society, they must then, following the experience that we have acquired, cease to be antagonists and find themselves united with the force that is proper to them, thus making the inconveniences of one disappear through the advantages of the other, and vice versa; to give to the nations, along with liberty, the force of cohesion and duration that they still lack, creating thus a link of federation and unity where the liberty of the groups move according to the exact definition of their rights, but submits to the general law of federal unity.

Political truth, like philosophical truth, is not, as is commonly believed and as the syllogism teaches, in the exclusion of contraries, but rather in their deepening. Thus, to unite two contrary propositions and to draw from them, not a principle that annuls them, but a higher consequence, or, as we say, a synthesis, that is the sole method that can aid us in constituting the political, moral and economic sciences, by finishing with political Machiavellianism, overcome our absolute logic, and escape from the vicious circle in which we still turn.

The conclusion of this first section is that “the political order rests fundamentally on two principles: AUTHORITY and LIBERTY, the first initiator, and the second determinator;” which means that the first word belongs to authority, and the *last* to liberty. This is the principle that serves as the base for the Swiss Federation, and governs the constitution of the cantons.

The thinkers, the minds enlightened by experience, those who are not blinded by interest or political fanaticism, recognize today the necessity of achieving decentralization. We have before our eyes some practical examples: the United States of America and especially Switzerland, where the advantages of the broadest decentralization are joined with the most perfect national unity of all the cantons.

After what we have just said, the exclusive partisans of unity they could logically cry to us: “You see here our autonomous communes, put outside of every injunction and all departmental control; determining themselves their share of the tax and the number of men to furnish to the

military contingents; closing here the schools and the churches; displaying the black flag in Brittany, with whatever name on it will please the lord of the place; proclaiming some Napoleon V in the Gers; the collectivity of the soil and sub-soil at Monceau-les-Mines. Yet this is communal autonomy, where we will end up no longer knowing what speaking means.” Jean MACÉ.

This is, however, what the best minds of the democracy are reduced to, those who speak of things without looking at them, and believe, despite experience, that political order can only be found in unity. And through this *simplism*, made in the image of their self, they can only recognize that this order rests on a duality of principles or of contrary facts, and is only discovered by their relations, and not by the exclusion of the one to the profit of the others.

For the man of centralization, monarchist or republican, the word unity summarizes all: liberty is only a word, his ideal is in the hope of a strong government. “With unity,” says P.-J. Proudhon, “a physical, mathematical thing, which sees, touches, accounts for itself, and knows everything in an instant; one is even spared in the difficult cases from thinking. With unity, politics is reduced to a simple mechanism, of which one has only to turn the wheel. So much the worse for whoever lets themselves be caught in the gears.”³

Well, dear reader, after what we have just said, without effort of logic we will see in what follows “what speaking means.”

³ *Du principe fédératif*, p. 98.

IV

Despotism is inherent in centralization.

With its three powers, our Republic, work of the antagonism of the parties, created an organism political, liberal and moderate from the unitary point of view. But in politics, to moderate, also means to stop, which renders stationary the economic progress for which we have a feeling, and gives the nation the fever in cold. To cure us of this evil, one proposes to us the sovereignty of a single Chamber. But note that with the centralization it will be like a Convention; still government in the style of Louis XIV. We will fall out of the frying pan into the fire.

Centralization has as a consequence the concentration of power: it is its fortress, and by that is formed authority, an absolute which, by reason of State, will always absorb the various forces of the social body, extinguishing the local life, or, as the Jacobins said, the local influence [*influence de clocher*]. Power tends also to personality, and the responsibility that it will invoke will only be a fiction which will serve to cover its absolutism.

With political unity, let the people delegate the power to a single Chamber, to a Napoleon or to whatever dictator, the sovereign authority, issue of the popular vote or of divine right, resting on a single head, or divided among several, we will turn in the same circle; the decrees of the sovereign are binding writs, for or against the liberty or the sentiment of the nation: there is always despotism.

The concentration of power has for buttress the concentration of the large interests. This is why the strong governments always remain strangers to the social questions that the idea of economic progress raises among us. "I deny the social question," said M. Gambetta. In the elevated position that he occupied, it is as if he had said: "The state, *c'est moi*," thus substituting for that question his august personality. The reaction must have hardly any knowledge of political matters to not come to him; he had not however bargained on many occasions for the adulation and flattery; he was ready to devote himself to it, while he became threatening to the people who gave him their votes. But let us not speak ill, he has suffered for it: he has fallen into the political gears that he wanted to direct.

V
To M. Jules FERRY.

Philosophy of anarchy. — Jules Ferry has said in his discourse to the radicals of Lyon: “No more than you, gentlemen, do I fear advanced ideas. I dread neither advanced programs, nor advanced spirits; but I fear agitated and turbulent spirits, those who befuddle everything in the Republic.” Those words are golden.

But these turbulent spirits have only one aim: it is, in imitation of all the parties, to overturn the government in order to put themselves in its place, in order to endow the nation with their governmental ideology. And let us observe that the nation still sees only that means of advancing, but rejects it from instinct, for experience has sufficiently demonstrated its powerlessness.

Myself, with regard to governments, I am an anarchist; I believe in their imminent disappearance, or, if you prefer, in *their transformation*. This is an advanced idea, and as they do not cause you fear, we can reason and even agree on some point.

The liberty of the press and the right of assembly that we possess, and of which we are partisans, appear sufficient as they are constituted. But that is anarchy in ideas; the conservatives of the old authoritarian traditions are not mistaken about that. Well, that liberty or anarchy is the only means that can serve to form the public reason and which sustains us. For individual ideas, always straight and *absolute*, contain only part of the truth, and are often full of errors and ill will. The combat of ideas is the sieve that purifies them, the truth must sooner or later be the product of it and lead thus to order in society, by transforming our individual opinions in a higher synthesis.

Thus a government strong with liberty can no longer direct ideas, any more than it can govern individual interests, which are ungovernable other than by liberty. But here, let us note well that the liberty of interests and liberty of labor is essentially transactional and that it necessarily tends, with the aid of mutuality, to establish as a federation the competing interests, which will balance among themselves, without any interference from the authorities. These ideas are beginning to arise among us, and already, on certain facts, we have acquired the practice and experience. To this point, we are in agreement.

It is therefore an established fact, beyond dispute, that in the direction of ideas, as in that of individual interests, governments no longer count for anything. There remains then a third and last point to throw light on: that of the general interest that the government claims to manage. What then is the general interest? It is the interest of the commune, of the canton, the department and the nation which is made up of all these groups. But we shall see that this interest, like that of individuals, would be much better administered by the individuals themselves, as is the practice in Switzerland, than by the government, which is to that effect obliged to consult their wishes, as the notary questions his client in order to draw up his thought. And these wishes, of which the commissions and the prefects are the reporters, hardly represent but one face of things. These biased investigations and confused reports, are, however, what gives to government a competence superior to that of our deputies, which only represent the confusion of our ideas, and who, in order

to purify them, are always in complete anarchy in the Chambers without ever succeeding, scandalize the nation with their vain and sterile debates, and *disgust* it with parliamentarianism.

The service of the general interest of which one speaks so much has been completely sacrificed by all governments; they have they have thrown it to the wolves, the pirates of business; by granting scandalous monopolies, by alienating the public domain, by the creation mining rights, the privileges of the Bank of France, transport routes and agreements made with the companies, and the innumerable concessions in which there has been squandered since 1848 more than twelve billion of the nation and the national savings.

Do you know, M. Ferry, what leads both the governed and governing today? It is *finance*, or, as Proudhon said, the swell mob. And now the people say of these latter what they have always thought of the former: it is that these people are to the nation as cooks are in the kitchen, they always take the first broth.

Formerly, when the goods and interests were in the hands of few, of the noble, the priest and the prince, the government was necessary, not to govern its interests, as they are governed among themselves, but to govern the masses, in the name of divine right, relegated to inferiority, by making itself an instrument of exploitation in the hands of the aristocracy, as witnessed by the ancient and medieval times.

Today, like tomorrow, the interests well off and happy, and financial power will always be the soul that will inspire governments; in the name of the democracy, of the Revolution and of the progress of which they constantly speak, they only replace by their usurpations the ancient feudalism, principally exerting their gripping power in the exploitation of the public services.

Thus it is necessary to drive them away, as we have driven authority from the direction of our ideas and the direction of our individual interests, through the liberty of the press and of labor. It is necessary to expel them from their fortress, by demolishing the walls of that centralization which, with the aid of the intrigues of the parties, is in the process of dooming France, and, following the example of the Swiss, practice *Self-Government*.

What? Political anarchy would be from now on the means to chase off the economic anarchy that devours us, and would constitute the order in society? Could we pass from government? Who would believe that?

In the end, Mr. Ferry, I have only a few words, it is to say that the confusion and helplessness are such today in all parties that the opportunism of which you are one of the most distinguished representatives is, in truth, the only logic, since it has immobilism as a consequence. Indeed, would it not be better to remain stationary as the Chinese, rather than to attempt reforms, the need of which your party is not unaware, but which you always teach that the nation is still not ready to receive, and whose least application would overexcite minds and upset the social order.

But with universal suffrage, that situation could not endure long without danger; for the people, not separating politics from the idea of its well-being, could well become angry and become hostile. It would then be time to revise our constitution and to recognize that the political unity that serves for us as a principle, is, like religious unity, a chimera that divides us; that it is necessary to constitute national unity through a link of political federation; and above all to order

our interests by the creation of an economic constitution that labor awaits, which is a different thing than politicking.

VI

Administrative decentralization.— Federation.

With decentralization, the first article of the political constitution will be: 1. to give to the general council the legislative competence for that which concerns the interests of the department; 2. to give to the communes the direction of their respective interests; 3. to create a federal council above the departments (as in Switzerland), in order to serve the general interest of the departments and constitute its unity; additionally, to invest that council with a role of general initiative and of oversight of the rights and liberties of which the local constitutions are the trustees, and the power to promulgate the general laws of the confederation after having been voted on or ratified by the majority of the nation; but these laws could be carried out only on the certification of the departmental legislations and by their own agents.

This system, says P.-J. Proudhon, is applicable to all nations and all eras. It is thus only a question of defining in the federal and departmental constitutions the competencies of each group: communes, cantons, arrondissements, departments, as well as that of the federal council. That organization being no more complicated than the present system, the elements of the old administration, by transforming themselves, could serve to form the new; and the driving force of the social body, carrying itself from the head to all parts of the organism, will assure its perfect functioning, with more celerity, and above all much more economy.

Separation of the Churches and the State. — It is impossible for us today, with centralization, to accomplish the separation of the Churches and the State without provoking in some departments a second Chouannerie. In the federation, it is the opposite that has taken place. Let us first note that, each department paying its part of the budget for public services, it has the disposition of it. The federal council not having a budget for that purpose, its veto or its decrees are only simple councils always submitted to the ratification of the votes of the national collectivity.

According to the constitution, the federal council, having initiative with regard to the laws of general interest, proposes to the people the separation of the Churches and the State. If the nation rejects that proposition of law, a departmental legislature can vote and demand of the federal council, the constitutional authorization to apply that law for its own benefit. As soon as the application is referred to and accepted by the federal council, the departmental power or legislature submits that proposition for the support of its fellow citizens. Then the popular vote, in ratifying that law, the department obtains that separation for itself alone. The worship services will then be organized freely in that region, but under the supervision of the local authorities; and the budget which served the cults having not been eliminated by a national vote, the department could employ it for other services. The other departments, less advanced, or more wise, will remain in the status quo, awaiting the good or bad effect of that law.

Thus, in the federation, initiative for reforms and laws belongs to authority, and the last word to liberty, in accordance with our definition (page 12), that is to say that the sovereignty of the people positively exists.

In the communes, that sovereignty is exercised equally, for all the decisions of communal interest voted by the municipal council, after having been sent to the certification of the departmental council of state (as today to the prefecture) returns to the municipality, which submits them absolutely to the popular vote, which accepts or rejects them. (This is what is done in Switzerland). And now M. Jean Macé will understand “what it means to speak.”

One objects that the people will thus always be occupied with voting. Doubtless, as previously they were called to prayer. They will therefore go to the polls as they went to mass, as they currently go to the café. Didn't we say that they must now do their own business? They say: The people are too indifferent, they will abstain. Today, they are right to abstain, since by delegating their sovereignty they lose it; and their proxies are always powerless or unfaithful. But in the federation, knowing what they are doing, they will *never lack* the opportunity to express their ideas on the things that interest them.

However, I agree, time is precious and we must count it. Three or four communal questions; as much local and federal interest, in total six or eight votes per year, on Sunday morning: total, four hours per year to spend going to the poll. We spend as much every Sunday with our money in estaminets. Why recriminate? Would it be difficult to see the activity of the minds of the populations unfold? Would we like, in order to govern ourselves, to maintain ourselves in our ignorance and our political cretinism?

There is undoubtedly something to be done, they say, but it is pushing the example of decentralization too far, and especially of sovereignty, for which the people are not yet prepared. Accepting the principle, I agree. Let's not go so fast, let's get ready. Let's have some temperament and some reserve. Let's know how to distinguish between what is of local interest and what is of general interest. By defining things, we will neither fall into confusion nor disorder. But let's start with something: let's decentralize. By giving the general councils some legislative powers, we will see the force of authoritarian concentration diminish proportionally; and as it spreads throughout all the groups, we will immediately feel the *political neurosis* that agitates us and makes us lose our minds, calm down immediately.

Public affairs, that is the issue; save the situation compromised by all parties, or shorten the ruin of the nation, that is the dilemma. Let us say it again: it is this chimera of political unity that leads to abuses of authority, which compromises national unity; which once lost Rome; makes the large States stationary, threatens to disintegrate the agglomerated nationalities in Europe, and has made the Latin races inferior to the Germanic races where the spirit of federation is not completely extinguished by centralization.

On Sunday October 25, 1885, the Swiss people had to decide on a question of general interest, voted on by the Federal Council, which was subject to its approval before having the force of law. The purpose of this vote was to ratify a new law on the abuse of alcohol, which, there as

elsewhere, is a calamity. This bill was adopted by the people by 224,302 votes to 152,735. The law gives the cantons the right to reduce, if necessary, drinking establishments, and authorizes the confederation to impose a tax of 50 francs on alcohol, with the proceeds of this tax distributed for the benefit of the cantons, in proportion to the population.

Let us compare by analogy what the Swiss people would respond if they were asked to ratify a bill of general interest that the imperial government resolved in 1852 in favor of the railway companies. The explanatory memorandum states: "We have granted the companies 45 years of enjoyment and exploitation with high remunerative rates, the companies are doing well since the shares are at par. But to double and triple the value of these shares, I propose to extend this enjoyment from 45 to 99 years, in order to enrich the shareholders; which will also fuel financial speculation, and drive business, etc."

The Swiss people would respond with a unanimous vote: No! No! This is plunder, and does not pass muster with us. Yet this is what the empire did to the great satisfaction of finance, and what makes us pay for passenger transport four times more expensive than in Belgium: and how many other things like that. O! Admirable economy of political unity and centralization in a great nation.

VII The Power and Finance.

In a country of political federation, the administration of the majority of public services, not separating itself from the groups in which it must have its action, is therefore much less expensive and protected from waste. In centralization, on the contrary, when it is a question of works of public utility to be carried out, of a company to be awarded, the central power intervenes, accompanied by a powerful auxiliary: *finance*. “When the State and finance,” says G. Duchêne, “the two greatest forces of a nation, lend each other a helping hand, we can expect wonders.” Then the bankocracy takes the initiative of all public utility enterprises, and with the help of the power replaces private industry (small carriages, etc., etc.). In the name of the public interest, scandalous monopolies with subsidies, interest and dividend guarantees, high tariffs, onerous agreements are granted without tender, which creates premiums in the operation of public services.

In this economic transformation, the liberty so dear to the ancient economists no longer counts for anything. The public seems to take a liking to it. Everyone expects from the government, and demands power, labor, subsidies, incentive bonuses, guarantees for this and that, etc. At this rate, we should rather think about increasing taxes than reducing them. Who would dare to refuse them to the power that demands them: is he not the father of the people? But also, like Saturn, he devours his children.

Well, good bourgeois, we are far from the industrial liberty that was your watchword under Louis-Philippe. You have turned to the state socialism that I fought in my previous pamphlet, and of which the communist-collectivist party is the representative; and logically following your example, it took as his motto: everything by the State.⁴

You perhaps hope, in the future collectivism of which you are the initiators, to still obtain, as today, subsidies and privileges for the ranks that you could fill. But, in the general mediocrity, parading your vanity in front of the worker, recruited, priced and manhandled, you in turn will bow down to your hierarchical bosses.

Don't cry paradox! *With the help of centralization*, a few riots in the street with fireworks like in 1871, and a slight decree for general expropriation, the bourgeois economy will have survived.

⁴ At the time of publishing this work, we read in the newspapers that Mr. Jules Roche intends to submit to the desk of the Chamber a project that aims to give the State the monopoly of alcohol, as it possesses one on tobacco, and by this means, balance the 1887 budget.

On this slope where we are sliding, why should the State not exploit the manufacture of beer and liqueurs? Do you also see it as a drain contractor, a fertilizer seller, selling powder to the farmer as it sells us tobacco and matches, 300% above their value, and this without ever managing to balance its budget. We would *visibly* begin to enjoy the collectivist regime, and more and more people would continue to be on a diet.

We like changes on sight. Political unity has not spared us since 89. The tragico-political comedy is not yet ready to end. This will last until the nation has formed a bond of political federation, and labor a bond of mutuality or economic federation.

We will continue this section, reporting in abbreviated form some facts borrowed from G. Duchêne's book on the imperial economy. And if, as we believe, centralized governments are powerless to prevent evil, we will see that they are all-powerful to do it.

In reviewing this economy, the fruit of personal power, I do not equate the republican administration, which I believe to be honest, with the old one; only centralization generates the same abuses, by reporting them, our goal is to bring about reform by subordinating authority to liberty.

“The dominant class, the most restless, the most dangerous, consequently freed from any political principle, monarchical or republican, had only one concern: to ensure the enjoyment of its privileges. It was ready to compromise public liberties to anyone who would guarantee it income. The empire did better. It took them beyond what could be hoped for, or rather it gave bourgeois greed the means to discount in a few years the resources of a century, because as absolute as a power may be, it is not in its power to decree wealth; he can only move it.” — Was it not the gift of joyful advent that we were going to pay for?

“Its first economic act was the merger of the railway companies with the extension to ninety-nine years of concessions,⁵ some of which were half due. At the same time that industrial concentration placed the railways under the immediate control of the power, there was for the bourgeoisie a shower of concessions, subsidies of all kinds, a deluge of shares and obligations, more or less guaranteed, debt securities, capital gains, an increase without brake or reason. The plebs were offered unlimited labors, relief and pension funds, economical suppers, parades and fireworks, etc. So much the worse for the future; we seemed to have taken up the motto of Louis XV: *After us the deluge*. Now the deluge has begun, and the cornucopia has dried up.”

We invite the reader not to become impatient with the exposition of the facts that we are going to report. We will be brief as possible: just two or three pages of this crooked accounting, and it will be over. But let us not forget that it is essential to know things, before judging them, and in order to firmly establish the principles necessary to *apply* the reforms.

⁵ Since the Republic, Mr. Rouher, defending before the Legislative Body the imperial economy in order to justify the extensions and mergers, made this declaration: "That the majority of the companies were encumbered, and some were bankrupt: by putting them under management, it was complete ruin, etc., and that mergers were the finest flagship of the imperial economy." No one in the mountain or on the plain responded. However, one could have replied that the situation was not compromised, since the act of extension doubled the shares. If some companies were in debt or bankrupt, this was due to the waste of capital by the founders and the agiotage on the issue of shares. This is what has lost the credit of some companies, and ruined the shareholders without the authorities being careful. To cite just one fact, we will say that the Grand Central Company paid thirteen million for the iron and coal mines which were only estimated, *ad valorem*, at five hundred thousand francs.

A raid. — We reported on page 34 of our brochure what Napoleon I said about the Bank of France: “A well-organized bank can function without a single penny.” He undoubtedly thought intuitively that the discounting of commercial values could be considered as a public service and at cost price.

If at the completion of the privilege of the Bank of France in 1867, this establishment had returned to the public domain, as in 1840 a good number of census representatives requested, and, by providing its services at cost price, the discount of commercial values could have been reduced to 0 fr. 70 cents. % per year. This was an immense advantage for commerce, which, by reducing its discount costs, would have benefited the public by reducing the price of goods. But we will see that the legislators of universal suffrage did not look at it so closely, and on the proposal of a law that the government presented, voted, without dispute, this extension that was costly to the nation.

In 1857, what was the reason, the aim of this thirty-year extension of the Bank's privilege? Was it to serve the public interest? No. It was in order to carry out a raid for the benefit of capital. Thus, in 1857, dividends were 33%. The new shares, issued at 1,100 francs, have temporarily reduced the sum of profits, but the creation of branches increasing the mass of discounts, these dividends will easily reach 20%, which makes for each share 220 francs of profit. Note that during the extension, the new shares were rated like the old ones, 3,350 francs; which was already a bargain of 2,250 francs, and today (June 1885) they still cost 5,200 francs, and the 20% that our author predicted is well exceeded.

The subscribers who did not realize and who sold today would therefore realize a windfall of 4,100 francs on each share, without counting the enormous dividend they would have received. On the other hand, thirty years of dividends at 220 francs give for each share 6,600 francs; by deducting the stake, there will be a net profit of 5,500 francs, which, for 200,000 shares, will make a profit of 1 billion 100 million in thirty years.

Formerly the noble had his people rob travelers on the high road, and offered them hospitality. Thus did the legislator of universal suffrage in 1857 against the public interest, but without compensation.

As we have said, the railways have been handed over to finance. We ceded the canals to them to destroy the competition. The ninety-nine-year extensions allowed the *shrewd* speculators and the original dealers to sell the shares of the first networks at a premium of more than one hundred percent to French savings, thus paying back to the related companies and shares released nearly two billion in capital without building “one more meter,” thus discounting the benefit of a century of exploitation.

If these two billion, immobilized as a pure loss for the national wealth (as we have just seen for the actions of the Bank), had been combined with as much as we have lost in foreign loans, they would have been used to *sponsor* national works. Our inland waterways and our secondary

networks would be completed without having passed under the caudine forks of the companies to execute them.

The imperial government mystified. — In 1865, the Nord Railway Company, wishing to obtain an advantage favorable to *its interests*, offered in compensation to the government to transport coal and coke (below the general rate which is 10 cents.) at the price of 5 to 8 cents, per ton per kilometer. This proposal was approved by the higher railway committee; approved by the Minister. The Council of State, after deliberating, attached a beautiful approving report; but arriving at the Legislative Body, it was observed that since 1852, in order to compete with the canal, the company had applied a minimum tariff of 3 cents. $\frac{1}{3}$. The surprise was great, and the proposal was rejected with the contempt due to its authors.

“We really don't know,” says M. G. Duchêne, “what to be most surprised about, the effrontery of the skimmers who allow themselves to make similar mystifications to a government, or the imbecility of the men of State who suffers them without seeing anything.”

“The 3,000 kilometers of railways that crisscross Belgium give an average of more than 25,000 francs per kilometer, with freight rates 25% lower than those of French companies and passenger rates reduced almost to the absurd. Indeed, if these rates were applied to the Nord network, a traveler from Roubaix, Tour, Quince or Lille to Paris would pay in first class less than 7 francs, and less than 3 fr. 50 in third class. The journey, which costs 244 francs in France, only costs 43 francs in Belgium.

“The management of banks, credit companies, cruise ships, railways, large factories, large metallurgy, gas, etc., is concentrated in the hands of one hundred and eighty-three people with absolute control of the agglomerations of capital that they direct, representing more than 20 billion shares, bonds at issue price; that is to say the clearest of public wealth and above all of all the great industrial machines through which the rest of so-called free production is obliged to pass.

“After the monopolization, the pillaging. The frauds invented by financial feudalism are such that the imagination of novelists and the predictions of legislators have never equaled them.

“As correctional police, the magistrates found themselves disarmed, because the law had not been able to foresee acts as revolting as those that the debates brought to their attention.

“Eight hundred forgeries revealed on the books of one stockbroker;

“Issue of shares on land that does not exist;

“10 million in embezzlements in a business with capital of 40 million;

“Shareholders' meeting composed in majority of ringers from outside the company;

“Coal and iron mines costing 500,000 francs, brought into the company by the founders at a price of 13 million — I believe it is the road from Clermont-Ferrand to Montauban that the author whom I quote means to talk about;

“Duplication of shares putting the charge of amortization of 20 and 40 million which were never paid, etc.”

We end here our already too shortened quotations, by referring to the author, in order to edify the reader on the value of the governments under which similar misdeeds occur. It was under the last Empire that G. Duchêne published two volumes on the actions of financial and industrial speculation of that time: *LA SPÉCULATION DEVANT LES TRIBUNAUX*, Paris, 1867; and *L'EMPIRE INDUSTRIEL*, Paris, 1869. If the author still lived, he would find material for new publications today. We will end this paragraph by reporting an act of plunder that occurred last year in connection with the issuance of railway bonds.

Myopia of the Republican government. — Everyone knows the financial scandals of recent years and the collapses that have taken place. I will once again put before the reader's eyes a quotation that I borrow from the newspaper *LA STRATÉGIE FINANCIÈRE*, dated January 12, 1884, about the issue of 26 thousand bonds from the Bone-Guelma company.

"The second criticism addressed to the company," says this newspaper, "is much more serious, it explains" so to speak the cause of the lower price of the bonds, because it is a *waste* of the company's funds, not to use a more severe word, which would nevertheless be perfectly within the situation.

"Indeed, it is unheard of to think that the company sells its bonds at 250 francs to bankers, while the issue price guaranteed by the State is 310 francs 10 c. The bankers therefore made 63 francs 10 profit per security, or, for 26,000 bonds, a profit of 1,640,600 francs, while the bankers do not have the slightest risk, not even the advertising costs for this issue."

What? The State guarantees bonds at 330 francs 10, while the company delivers them to the greed of the skimmers at 250 francs, and this under the beard and nose of the Republican government. But let us add for the honor of the latter, that centralization has made them myopic. Let's not accuse people, but let's demolish the principles that can create similar abuses. To fill the deficit, it will therefore be necessary to continue as we have already done: maintain high prices and perfect dividends. It is always the people who will pay. This is the advantage gained from centralized governments. Under Louis XIV we did not move so quickly into squandering, and the monarchy died in 1789.

It is regrettable that the public, who so easily become passionate about the political parties they hold dear, are reluctant to look behind the scenes and look after their interests, allowing them to be squandered by the ineptitude of politicians and the greed of the dealers... settle, even if it means, when it gets down to the dregs, rioting to be rid of them, but uselessly; because if they subjected them to the auto-da-fé, like the phoenix, they would be reborn from their ashes!

Economic regression. — How much have we regressed from the regime prior to 89, said G. Duchêne, because there are no more egalitarian boasts to display. The laws of caste and privilege leave no room for illusion. We are in full serfdom. Formerly, the tithe or *dixme* took, as its name indicates, up to a tenth of the products of work, it was the maximum of the privileged prelibation; still, the possibility of paying in kind provided an attenuation of the rigor of the tax. Today, the bank's capital does not work for less than 12 to 20%; the rich railway companies also calculate by

12 and 20%, that is to say by the fifth, double the tithe. The Crédit Foncier is counting on 25%, a quarter. Gas at 27 to 28%, two and a half times the tithe. Our author forgets the insurance company at more than four times the tithe, and certain coal mines at ten and twenty times the tithe. Let us therefore be surprised that despite our productive wealth everything is expensive and the life of the worker is difficult.

VIII Social Accounting.

Opulence and poverty. — If, as we have just seen in the previous section, the economy of society goes adrift, we will see in what follows that nothing is lost, and that what some people lack is found and returns to the others.

England is the richest nation in the world; it is also where individual wealth is the most considerable; it is, to tell the truth, the country of *milords*, but it is also there where the poverty is the greatest and the most hideous. We see families, entire populations living in a state of complete bestiality. Modesty would not allow here to expose the state of immorality and degradation of these unfortunates disinherited of fortune.

In the United Kingdom of Great Britain, says M. de Morogues, pauperism affects a quarter of the population and in certain areas a third. Mr. Moreau Christof, “a right-thinking man,” looking for the answer to the enigma, does not hesitate to say: It is because the increase in well-being goes to a few, and misery to all the others. According to the same author, it is in England, where industry and commerce are the most advanced and where the accumulation of capital is the most considerable, that one in five individuals destitute; and in Russia, the most backward country, which we treat as barbarian, there is only one per hundred inhabitants.

According to M. Watteville, says G. Duchêne, in France there is one indigent in five to twelve inhabitants, and in our poorest departments, only one in twenty-eight to forty-two.⁶

This confirms what we will further demonstrate, that the progress of wealth occurs through a contradictory movement of misery, the cause of which is in the very inevitability of economic development and the lack of equitable distribution. Distributive justice having been powerless to restore balance, what can break the fatality? The economic federation.

According to the LIVERPOOL COURRIER (an English newspaper, June 1880; quote borrowed from the PETIT JOURNAL), here are the details it gives on the fortunes of some people reputed to be the richest in the world:

1. Duke of Westminster (His Grace), income 800,000 pounds sterling or 20 million francs per year, 50,000 francs per day;
2. Jones of Nevada, American senator, 1 million pounds sterling, 25 million francs or 50 francs per minute;
3. The head of the Rothschild family, 2 million pounds sterling in annuities, or 100 francs to spend per minute;

⁶ Poverty and indigence are not always obvious. If the maximum of the worker's budget is 1,600 francs for four people, it is clear that those who by working only make 15, 12, 9, 8 hundred francs will gradually find themselves in embarrassment and misery, without being sheltered from accidents, illness and unemployment, etc.

4. J.-W. Mackaie (in Ireland), 2 million 750,000 pounds sterling, or 68 million 750,000 francs, which makes 125 francs of income to spend per minute.

The example is before all reflection, before all instruction and all philosophical research, the spontaneous starting point of the general education of a nation.

They say: Not everyone can be rich; but, as we have just said, the example seems good to follow, and it is certain that everyone wants to be so and, my goodness, by any means, certainly outside of ordinary work. But a man, in his specialty, producing on average only as much as one, that confirms the maxim that we cited in our previous brochure, namely “that one only does one's business well with other people's money.”

But it is objected: It is genius and honest speculation that have produced this individual wealth. Is this true? But what we must observe before establishing our judgment is that the diversity of aptitudes necessarily creates their equivalence in society, and that the works of genius are not the sole work of the individual: “The science of one Newton cost humanity five thousand years of work;” it is thus in all the specialties of labor and knowledge, where each one only adds his little stone to the edifice of our knowledge.

True genius is in the constancy and persistence of the idea; a man's life often passes without him being able to apply it; ruin, destitution and misery, combined with public indifference, are too often the reward.

The imagination is frightened, says Mr. Horace Say, at the extent of the research that would have to be done in order to show all the labor that was necessary to bring to perfection the smallest of any products.

If the acquired fortunes, of which the English newspaper shows us the picture, are not a scandal, they are at least proof that the economy of society is still to be created from the point of view of justice, and that ignorance and chance hold the greatest place in the distribution of wealth, because it is for the most part the product of collective force, and if individuality contributes to producing it, it is only for a smaller part. The isolated man cannot produce anything, and the one who has 125 francs of income to spend per minute, if he were the sole inhabitant and sole owner of Ireland, reduced to his own strength, would tomorrow be reduced like the savage to live on roots and soon die of hunger. Our well-being therefore depends on the equivalence and solidarity of all producers.

Woe to the rich man, said Jesus Christ; but he should have added: Woe to us all; because these immense incomes are only produced by labor from which he does not profit, but which he pays for. This does not prevent us from holding in great honor the favorites of Mammon, and from sovereignly despising those who have nothing. And if, as the proverb says: “Poverty is not vice,” we can add that it is worse; because vice, among the great, is masked by opulence, while it is discovered among the poor.

It is therefore labor that pays the fiddler. But we could, despite the satisfaction, still think today what was said quietly at the end of the reign of Louis-Philippe: “We are dancing on a volcano.”

General expenses of Society. — According to the economists, the annual production of France is approximately 14 billion, for 35 to 36 million inhabitants, which gives, in the general distribution, 400 francs per year per head, or 1,600 francs for a household of four persons.

But this wealth is burdened with costs and incidental costs by the profits of agiotage, usury, the exorbitant privileges of monopolies and the mass of taxes. I believe that I am, as we show below, below the truth, by raising to 7 billion 300 million the levy of costs of all kinds that takes place beforehand, on the entire production.

There therefore no longer remains in the distribution, for those who have neither usurious rents, nor stock to exercise, nor monopoly privilege, nor subsidies to receive, and who pay tax on their consumption, there remains, I say, instead of 400 francs, barely 200 francs per head, or 800 francs per family of four persons.

It is therefore with the help of accurate accounting that we can only see our affairs clearly, in order to achieve, if possible, the reduction of general costs that burden social wealth.

According to the budgetary statistics of the different States of Europe, it is demonstrated that the general costs of governments increase not because of the size of the nation, but “as a direct and geometric consequence of centralization.”

In Switzerland, the average contribution per head is 15 francs 97 in each canton, *plus* the federal contribution, which also amounts to 6 francs 89, which makes a total of 22 fr. 86. Whereas in France, for a population of 35 million, with a budget of 3.5 billion, it is 100 francs per head. And that is without taking into account the budgets of cities and towns.

By decentralizing public services as in Switzerland, and according to the population of France, our budget of the eighty-nine departments (including that of cities and towns) would be 603 million 640 thousand francs, and the national or federal budget, that which would serve to constitute the unity of the departments, would amount to 220 million; which together would make a budget of 824 million. Difference from the current budget, 2 billion 324 million. There is no need for comments here.

You forget, we are told, that France is not Switzerland, and that we have to serve the interest on the perpetual debt, which is one billion, the amortizable, the floating debt, the budget of the war, etc., and these services are irreducible today. Yes, undoubtedly, but the cause must be attributed to the accumulated faults of *all* centralized and authoritarian *governments*, always surprised by unforeseen expenses, which constantly present to the Legislative Body the card to pay for their crazy enterprises, causing deficits, which end up covering themselves with successive loans. Everyone recognizes that the situation is difficult, and that an unforeseen and persistent crisis could well bring about a debacle; because the budget of the State, cities and towns is at least 4 and a half billion. It is not uncommon to see authoritarians, when they are in difficulty and can no longer pay, convert the debt. And in difficult cases, to go faster, they could well tear up the ledger, as Mr. Achille Fould advised Napoleon in 1852; that is to say to go bankrupt.

Authoritarian centralization alone can achieve these feats of force. Would it not be better, to get us out of this difficulty, to carry out, as I indicated in my brochure, the liquidation of our debts, and not to go bankrupt. And to reduce our taxes, to largely embark on the path of decentralization.

Categories of national production costs. — After comparing the administrative costs of French centralization and the Swiss federation, we will draw up a table, by category, of the costs and incidental costs with which our national production is burdened, with the indication of the means of carry out the reduction; most of which are developed in our previous pamphlet.

First category. — Administration and costs of public order; national debt, together 3 billion 200 million. Reduced to 824 million, first, by the repayment of our debts; second, by administrative decentralization.

Second category. — Costs of the speculative and *agiotouse* exploitation of public services, delivered in expensive monopolies, to business skimmers: 500 million, disappearing through free competition, or, if necessary, through the auction of monopolies at cost-price.

Third category. — Costs that form the major income from stock trading in commerce and industry, and from de facto monopolies: One billion. Disappearing first, by mutuality, or the free federation of producers-consumers; second, by marketing or advertising the cost-price of the products; third, by the transformation, carried out by the legislator, of de facto monopolies into legal monopolies, at cost-price.

Fourth category. — Discount charges, interest on money, levied on the exchange of products, by the turnover of capital: One billion. Reduced to 100 million, first, by discounting commercial values at cost price; second, by mutual credit, that is to say free, or at cost-price.

Fifth category. — Land rent charges that the owners of high-yielding land receive, and which we all pay out of our daily bread, “like a customs duty” in order to protect the bad lands that have no income, and to remunerate them with the high price of cereals: One billion 800 million. Reduced to 600 million using property tax. This recovery would serve: first, to compensate land that has no income; second, to fund the budget of public services. And the remaining 600 million of this rent would be acquired by the owner-cultivator, as a right to added value, in order to maintain his activity, to preserve his freedom as a producer, for the maintenance and improvement of his land; which does not take place in tenancy, or if land ownership becomes communal or collective.

If, as we are certain, this method of accounting is the only way to carry out politics and social economics reasonably, it would have the result of drying up the source of parasitic or illegitimate income; of exempting us from making the impracticable test of a tax on income and capital, etc.; of abandoning all authoritarian political parties; of creating social science and getting us out of the imbroglio we are in; which would allow common sense, always so practical, to see clearly its affairs; and, with the help of liberty, to carry out the just reforms that interest all parties.

The result of this method, entirely a matter of accounting, would not be long in coming, and in a short time the costs of administration and those of production could gradually decrease, and depending on the tempering that would be applied, i.e. by 20, 30, 40 to 70%, and from 7 billion 300 million that they are today, go down proportionally to 2 billion 290 million, which would represent at most for each household an advantage of 783 francs, and at minimum, one of 396 fr. 50. This means that we would have low-cost transport like in Belgium, coal, gas, canvas, bread, and all cheap products. The whole question is there. The future will not deny me.

Five hundred francs more wealth on average per household: here is an asset that would make it possible to increase national consumption by almost half, which would avoid unemployment and the permanence of the crises that affect industry and commerce, which would allow us still to face formidable competition abroad, unless it also revolutionizes itself.

Agiotage, the *large interests*, state subsidies and privileged monopolies are the cause of the immobility and *economic disorganization* that we are suffering from.

Five billion 500 million more paid, for fictitious and overrated services. This is the object of our desires, and the cake that the greed of traders, usurers, business skimmers, monopolists and stock traders of all sizes compete for; real octopuses that suck up most of the products of work. This is the origin and source of the immense revenues of which we have just spoken, which our ignorance still qualifies as fortunate and honest speculations. But it is also what forms the *eternal* demands of the people. This is the social question that fine politicians dare not face, and that they take the very useless trouble of denying: it is this that liberal opportunism believes it can postpone indefinitely, and that other parties claim to resolve by authority and despotism; but which in this form will always appear more intense and more vivid than ever.

IX Economic Constitution.

In a large nation where property is little divided, where monopoly is all-powerful, where the industrial salariat exists, where the worker remains isolated, where fortune is concentrated in the hands of a few, and in the coffers of the large companies, a political federation, however well organized it may be, could not last long; the concentration of the large interests call for a strong power in order to guarantee it, to govern the masses and contain their aspirations. And whatever the form of the government, the result will be the same: it will become the conservator of privileges, unitary and authoritarian.

Individual liberty is a precious thing, but it does not prevent you from ruining yourself by working and dying of hunger. The liberty of labor being one of the most powerful forces of production and of wealth, it is absolutely necessary to guarantee it to the individual as well as to the community, by the buttress of an economic constitution, facilitating, by free credit, mutual insurance, federal association, etc., etc., the access of all laborers to property and to the possession of the instruments of labor and of capital; serving thus as counterweight to the absorbing liberty of privileges, of the monopolist, and to the royalty of hundred sous coins; which concentrated in the hands of a few, become instruments of domination and disruption. And that constitution, by giving to the rich and the poor security and peace, must also be the always perfectible program of the spirit of the Revolution.

Let us therefore remind the indifferent and the conservatives that these ideas are penetrating more and more of the masses, and must usher in the era of equality *of means*, if not of fortunes. The movement has already begun, and the Revolution advances slowly, but surely, crushing under its chariot those who try to stop it, as well as those who praise it to the skies. Its strength is irresistible, its way is justice, the means is science. This is not to discuss its desirability. What we need to do is prepare ourselves to receive it well.

Since 89, our charters or our constitutions have been, as Royer-Collard points out, designed to organize government rather than society. "There is nothing left of the past," he cries, "society is in dust." This means that economic society has not been formed, and that it is still awaiting its organization. And this organization can only be achieved through the creation of an *economic constitution*, a true charter of rights for producers-consumers. This constitution must be like a social contract: it must have as its basis and recognize, by giving its *exact definition*:

1. The solidarity of all interests;
2. Equivalence in the variety of aptitudes;
3. Mutuality or reciprocity in the exchange of products;
4. The approximation of the value of products according to the that which was used to form them;

5. Free competition;⁷
6. The discipline of monopolies;
7. Mutual or free credit;
8. Access for all to real estate property, by substituting, *where appropriate*, the contract of sale for the rent of houses, and the farm lease, or rent of land;⁸
9. Repurchase of the railways and the various securities committed to public services, in order to put an end to the incompatibility of the speculative freedom exercised by the companies, in violation of the specifications which annex them to the national domain. Creation of a law on the formation of various companies and *definition* of interest in limited partnerships;
10. The initiative of enterprises of general interest devolves to chambers of commerce or groups which have an interest in producing them;
11. General and mutual insurance for all risks;
12. Exact (and easy) definition of capital gains, the only legitimate means of basing the tax base, to cover administration costs;
13. Right *for the nation* to create optional taxes, either on transfers and consumption, in order to form a mutual credit fund and a retirement fund for old age and the disabled; and finally the right to establish a progressive tax as a defensive weapon for society against the monopolization of the instruments of labor by monopolies. This tax could, if necessary, be used to liquidate the national debt, and would be the equivalent of the income tax in England;
14. Secondary and professional education;
15. Formation of worker companies for collective work;
16. Reform of the judicial order, abolition of legal fees, and everywhere in civil matters, the possibility for the defendant to request the constitution of arbitrators, etc., etc.

An economic constitution would therefore be the new labor charter, which the Revolution of 89, all occupied with politics, failed to give us by demolishing the old one, and which no government has yet taken care of. This omission has forced the modern legislator, in order to fill this gap, to manufacture and codify an innumerable quantity of contradictory laws, which are like Penelope's shroud, which would make us believe that their authors are foreign to the science of man, the things of society and its economy.

⁷ Mutuality for the production or exchange of products, implies for the contracting parties, as well as for fair agreements, the approximation of the value or cost price, but in no way rejects free competition (or cooperation), as well as supply and demand, which are the essential means of establishing this approximation.

⁸ The first part of the eighth proposition involves the question of housing rent in large population centers. Under the Empire, an anonymous brochure appeared as a trial balloon, supposedly based on an initiative from above. It was titled: *Pourquoi des propriétaires à Paris?* That's all I knew of this publication. In large centers, due to the ease of rentals and the high cost of rent, the owner is little concerned about the comfort and health of housing; what he needs is to obtain good income with less capital. If in large centers real estate ownership was communal, it is certain that the rental price would be used to improve its buildings, and once the depreciation has been carried out, the people would have comfortable, healthy and low-cost housing.

We talk about eliminating legal fees, we stammer about credit institutions, mutual insurance, pension funds for all workers, professional education, the formation of workers' companies, etc., etc. A thousand years of parliament would not be enough to shed light on the 16 proposals that we have just formulated. It would not take four years for the federative principle to affirmatively resolve them.

EXAMPLE: *Solution of the 7th proposition by popular vote.* — Explanatory memorandum. The federal council, after deliberating in public session and publishing the summary of the debates, considering that after the liquidation of the national debt which must take place soon, it is necessary to provide the nation with the institution of free credit, which must be part of the public services, of general interest: 1. Because from an industrial and commercial point of view, the borrower, while seeking to serve his personal interest, also borrows to consume a value in order to produce another; because, from this point of view, he must be considered as an entrepreneur of social wealth. 2. Because, due to internal or external competition, it often happens that the borrower cannot include in the price of his product the rent he pays to the creditor: he is in deficit and soon he is ruined. This is the case of certain sharecroppers and farmers who demand help and protection, and also of those who begin to establish themselves and work with the money of others, thus not being able to compete with those who work with their capital. 3. Mutual and free credit will also serve the artisan and the worker, who will be able to acquire ownership of their homes and that of the instruments of their labor; because the rent they paid before will be used, in the form of an annuity, to repay the principal. 4. This law, the adoption of which we propose to the French people, is an institution of commutative or mutual justice, since the fund will be the result of the product of indirect taxes, which, like a contribution, will serve to form its capital, and will constitute for the mass of the country savings through taxes and the power to acquire property.

ARTICLE ONE.

Credit is a social institution; it will be free.

ARTICLE 2.

The fund will be formed by the proceeds of indirect taxes. When it has reached a capital of 12 billion we will proceed, if necessary, to the reduction of these taxes.

ARTICLE 3.

Reimbursement will be made in annual installments, from 5 to 100% inclusively. A fee of 0 fr. 50% will be collected for the administration costs of the fund.

ARTICLE 4.

The departmental administrations will draw up the statutes and regulations of this fund, according to the use and custom of the localities, and will present them for approval by the federal council, which will immediately issue the exequatur. Do we believe that the French people would hesitate to decide in the affirmative on a law which, by giving security and liberty to the worker, would give them access to property? We could therefore present to the popular vote our sixteen proposals thus developed, and without crisis or shock accelerate the march of social evolution.

Professional instruction.

We must take into account the good will of the Republican legislator who, having inscribed in our institutions the motto of equality, attempted to implement it through the law on free and compulsory primary education; thus bringing this branch of education completely into the public services.

The inferiority to which the people are confined is due in large part, not to the insufficiency of the schools, but to the very insufficiency of primary education, and by this new law whose idea is to instruct and moralize, we ask: will the goal be achieved? Primary education is only the rudimentary notion of our knowledge and the means of acquiring it, but does not give the worker the professional instruction of his trade, which, by raising his intelligence, would also serve to moralize him.

But there is no room for the professional education of workers when property, industry and enterprises are concentrated in the hands of capitalists. What use would professional training serve to the laborer, to the employee of the division of labor, to the serf attached to the machines, to the convict confined in the mines, to the 300 thousand employees of the railways, etc.?

In every respect this instruction, so necessary to social order, cannot be carried out by any centralizing government; the established interest and necessary fees would not allow this. Such creation can only exist through decentralization and the creation of an economic constitution. Thus, each canton having a higher school, where one could give to a necessary extent an instruction "having nothing aristocratic about it," but sufficient for the teaching of literature, morality and professional sciences. "Such a goal," says P.-J. Proudhon, "can only be achieved by a combination of apprenticeship and schooling, which makes each student a producer." Only the cantons, the communes and the workers' companies would find the means of having schools and teachers at low cost, creating for certain divisions of education itinerant teachers who, periodically, would go to the countryside, factories, etc., to give their lessons, as is already practiced in Germany for agriculture, and among us for horticulture, and for morality we could have teachers in imitation of the missionaries, who fulfill their apostolic duty by traveling through the cantons and communes.

Then the workers, craftsmen and farmers, all, somewhat literate, moralized, joining, through professional instruction, theory to the practice of their trade, laborers would also become artists, bosses, etc. Workers could legally and temporarily form workers' companies for the execution of public works and private businesses.

One of my friends having, as he says, "stuffed" (*sic*) his children with education, said to me: "With all this I am very embarrassed to give them a profession; I don't see any special vocation in them, other than that one would like to enter St-Cyr, but he says that you have to work too hard for that. The other, younger, has a taste for the navy, only dreams of Jean Bart; speaking only of firing from starboard and port. In our little town, all these kids are in that situation."

I replied to him: “The secondary education that we give to your children has only one result: it is to lead them to militarism, or to the offices of various administrations and commerce; because we don't go to college to pick up the pickaxe or the hammer when we leave. Only widespread professional education, in agriculture, arts and crafts, industry, combined with apprenticeship, could decide the vocation of children and get parents out of the perplexity in which you find themselves, thus preparing generations of hardworking and intelligent workers in all categories of production.”

It is this idea that made us say in our brochure, regarding the operation of the railways: “The employees currently recruited in authoritarian and feudal mode, will be hierarchized among themselves in mutualist mode, that is to say that the rotation of ranks, based on professional education (and morality), will take place in each section, with the help of exams, where the employee, in his division, will be able to obtain a diploma (subject of emulation) and in turn aspire to the grade that corresponds to it.” Since 89, the economic liberty of the big battalions and big capital, which operates against the worker, through the division of labor, machines, etc., will thus turn in his favor; and the piece worker, in the new hierarchy, will become or be like the artisan, but in another form, apprentice, worker and master; and in collective work, ceasing to be a machine, he will have regained his dignity and his autonomy.

XI

Civilization and Regression.

We saw at the beginning that political progress takes place through an opposing movement of authority and liberty. We have just seen that the progress and wealth of a few comes about through an increase in mediocrity and misery for all the others. We will see again that the progress of civilization is achieved by two opposing currents: one of science accompanied by wealth for a few, and the other of ignorance and poverty for the masses. In this contradictory movement, humanity has already gone through three distinct periods of civilization. Thus from the state of pure savagery it enters the period of *slavery*: this is antiquity and paganism. From slavery, it enters through the Christian Revolution into the period of *serfdom*: this is the Middle Ages. And from serfdom, it enters through the French Revolution into the period of liberty. But liberty, this economic force, making some advance and others demote, created the modern *salariat*, the latest form of exploitation of man by man.

Slavery, serfdom, salariat, these are the three phases of economic evolution and the product of six thousand years of sociability. Servitude, by transforming and softening it, still leaves the masses in ignorance, the primary cause of misery, vice and all the regressions that we *believe to be voluntary*. Ignorance is therefore the reason why “the baptism of civilization does not have the same effectiveness for everyone.”

Tired of our reasoning, we are constantly told: All your ideas are beautiful in theory, but impossible to apply. With no shortage of labor, and a little economy, if the worker had the will, he would begin his emancipation; but few have this desire. If the price of wages were doubled it would be more harmful than useful. Poverty is not voluntary, but personal; it is due to the weakness of the understanding which has a more favorable development in some than in others, and, as you said, wealth being in part the product of the community, it turns out that there are some who hoard what others do not know how to keep, and as a result the distribution will always be unequal. Hence the need for a strong government, protector of established interests. This is what experience and practice demonstrate, and what common sense recognizes.

We are greatly mistaken in believing that weakness of the understanding is the cause of misery. We think, on the contrary, that it is poverty that weakens the understanding and becomes the source of all the degradations and vices that are blamed on the worker. No doubt there are workers who are not orderly, but this is found in all classes of society and is due to our poor education. If the improvement of man takes so long to occur, this is due to several causes: first, to escape from the savage state, it was necessary to make some progress from the point of view of well-being, so that the social bond begins to form; but naturally it is chance that gives the idea of progress, like the great inventions, and it is the small number who begin the movement. The more the minority improves its material condition, the more it becomes socialized; the more the collective spirit develops within it, the more powerful and ingenious it becomes; but also the more it feels its value, the more, through selfishness and pride, it contains the mass and pushes it back

into barbarism, where it will be for a long time to come in the forests eating the acorn with the pigs; or, if it makes it a share of its well-being, it is only for a fee, after having conquered it by force by making it a slave. The first movement of sociability operates at the same time a forward movement and one backward: of ignorance and misery for the masses; of science and well-being for a few. It is the same in serfdom and the modern salariat.

Division of labor. — From another point of view, in our civilized societies where equality is proclaimed, where liberty of labor exists, the same effect of decline is produced for the masses, through the very progress of industry. Thus the labor, by dividing itself in the same workshop, produces this result.

What is the workshop? It is the coming together of several workers to jointly produce a single work, by means of the division of labor. If, to produce a pin, the work is divided between eighteen people, it will happen that in his division the worker will acquire more skill, and the collective product will be increased a hundredfold. By comparison, if, on the contrary, a single worker doing the complete work (one pin) can produce only one hundred and fifty per day, eighteen workers, by division, will each produce three thousand. So by this process wealth is increased a hundredfold, “art is in progress, but the artisan regresses.” Because the worker who only makes the eighteenth part of one pin has seventeen times less knowledge than the person who does it alone.

By this division, all the genius of labor is concentrated in the head of the director; it is the same in all industries, in all construction sites where work is divided. The psychological result is that the piecemeal worker, reduced to the mechanical and material functions of the work, his genius cannot develop, he dies; and by the very progress of industry, he finds himself as a laborer pushed back into ignorance of his profession. Then work, no longer synthetic, no longer having anything attractive about it, becomes repulsive, and, as the Bible says, it is an atonement. It has been noted that what develops genius in the artisan and perfects his intelligence is the prospect that, having passed through the degrees of apprentice and journeyman, he will be able to establish himself and become a master in his job. While the employee, or the piecemeal worker, who begins a career in production with the idea of remaining a laborer all his life and of not being able to work on his own account, his genius does not develop and atrophies and his intelligence, so to speak, turns sour, which can become a ferment of social dissolution.

The degradation produced by wage labor, the work of monopoly and liberty, must be replaced, with the help of social science, by the positive organization of society. And the collective worker, by taking possession of the instruments of labor through association, through credit and mutuality or the federation of producers-consumers, will regain his autonomy and his personality. Then, only then, will the balance of economic forces and the guarantee of all freedoms bring about the true solution to all our antagonisms. Security and peace will be the share of humanity.

SUMMARY AND CONCLUSION.

In society as in the fable, it is the strongest or the most cunning who have the largest share and who make the law for the others. Under Louis-Philippe, it is the proprietary element that is the strongest; it governs by the *cens* and supports its interests with the buttress of the sliding scale, the *nec plus ultra* of protection. The power of property is fallen with its king; universal suffrage has replaced the *cens*, and free exchange the sliding scale. The proprietary element is no longer anything but an ordinary force of production. It is balanced; it no longer governs.⁹

As Louis-Philippe had based his government on property, the Empire founded its power on finance, which it rests on the buttress of the privileges of every sort of which we have spoken. The privilege of prehension on the capital engaged in property is no more today than 2 percent on average, while the capital of the finance companies brings an average of 20 percent (see page 32). Shylock (the Jew) is thus all-powerful, he inspires the democracy and governs the Republic; and if we name a King he will soon govern him. In his hands, universal suffrage is like a *small fry* that he knows how to set in order to make us take the bait he has held out.

Despite our democratic jabbering, we remain vassals to the privileged monopolies of the Bank of France, the Crédit Foncier, the six great railroad companies, and an enormous number of small monopolies that are part of the system. "We are nothing more than a pashalik in the style of Egypt, India, China, Turkey and all the caste countries. We arrive at this sort of social bliss of the Orientals, which no longer involves either evolution or progress, because established interests cannot tolerate that anything should be able to shake their situation." This is the ideal of the Conservative Party.

The logic of all this is that privileges are between peoples, as well as within a nation, elements of immobility, or of domination and disruption, which foment wars of all kinds and are the reason for political unity, standing armies and strong governments. What do the friends of peace think of it?

By a stroke of authority, in order to put an end to our antagonisms, the communist-collectivists want to decree general expropriation, and make the State the sole entrepreneur of all industry, following the example of what is practiced already for tobacco, salt, coins, etc., etc. But we all know that state businesses cost *more* than double what they are worth. With mediocrity and general poverty, we would have complacency, insolence and administrative preferences. We would thus destroy in the name of the community the despotism of the monopoly, to replace it with that

⁹ Because of that transformation, the culture can no longer await its salvation from the customs protection, but from a higher principle that delivers it from the usury of mortgages, from the arbitrariness of flour millers, wheat merchants, etc. The deputies who represent its interests should also be inspired by the general interest before talking about raising the sliding scale, which could only be applied at the price of the subsistence of the people. The protection necessary for small-scale agriculture is free credit, guaranteeing its harvests by mutual insurance, as well as the means of selling its goods at their value.

See *Solution du Problème Social*, pages 25, 26, 52-65 and 79-83.

of the State. These authoritarians, always eloquent and violent when it comes to criticism, are those who think the least when it comes to practice. Such is also the ultramontane party and the monarchical absolute. Thus the extremes touch each other, they join hands to push society back to its cradle. But they count without the liberty that has surpassed them and awaits them, which, innate in man, is indestructible, as evidenced by the evolution of humanity.

Let us say, however, after having criticized the democracy, that it is our only and best friend, since it always has the respect and the religion of liberty; but we have seen that this liberty is ungovernable other than by itself, that is to say that federations alone are sufficient to discipline and increase it a hundredfold. Let us look at what is happening in Switzerland for politics, and let us repeat again that the era of federations, by transforming governments and the axis of interests, will henceforth be the end of all parties, of all scandals and of all political cliques. So, with good reason, we will be able to inscribe on our flag this beautiful motto: LIBERTY, SECURITY, PUBLIC ORDER.

“To be governed,” said P.-J. Proudhon, “is to expose oneself to being exploited, flouted, hunted down, humiliated, imprisoned.” Apart from a few rare acts of tyranny that history indicates, where the power alone controls interests, governments are not made to tyrannize them, they respect them, and always protect them, and these interests govern themselves. Indeed, what is feudalism? An association or federation of the interests of the priesthood, the lord and the prince, united by the reason of state to govern the mass and exploit it for their profit. What was the ancient Roman patriciate? A coalition of Quirites (proprietors) united for the exploitation of the plebeian and the slave.

“Your rulers are rascals,” said the high priest Samuel to the Jewish people, who reject priestly power. Not being from any political party of government, I believe in the sincerity of these parties; the reproaches that they address to each other by divulging their misdeeds and accusing each other of impotence, seem to me incontestably true. It is appropriate to say here that they see the speck in the eye of their adversaries, but that they do not see the beam that blinds them.

Through the intimate correlation of the political and economic order, we have concluded the necessity of creating an economic constitution, which by ordering interests in the direction of justice and liberty, must be the objective of all sound politics; and as the social contract of which Jurieu spoke would be the link between producers-consumers, and the basis of a federation guaranteeing the liberty of labor for each, so as to serve as a counterweight to the privileges that impoverish us, as well as to the State that stupefies us by the exorbitance of its authority, and which always, if it destroys one privilege, creates several to support its despotism.

It is certain that secondary and vocational education, combined with apprenticeship, and the training of workers' companies for collective work, alone can stop the demotion of the working classes; and by recognizing their *economic equivalence* in the variety of aptitudes, it also results that the average intellectual value in one specialty is equal in another. Then the balance of intelligences, like that of interests, which seemed illusions to us, would be achieved.

END.

Vendeuvre-sur-Barse (Aube), December 1, 1885.

JOSEPH PERROT.

APPENDIX

CONVERSION OF THE RENTS

ECONOMIC PROFESSION OF FAITH OF A CANDIDATE TO THE FEDERAL COUNCIL IN THE FUTURE FEDERATION

CITIZENS,

CONFRATERNITY is given in the federation. Agiotage and usury (the subject of ardent speculation), this leprosy that still covers the old world, the cause of wild pleasures and stinging miseries, must disappear. EQUAL EXCHANGE of products and cheapness in all things will be the consequence.

The federal council must therefore submit to the POPULAR VOTE, before the application of the economic constitution and free credit, a law on the reduction of the legal interest on money, the content of which follows:

1. Reduction of legal interest on money to 2%;
2. Unification of the national debt by converting the 4 1/2, the 3% perpetual and the amortizable at 2%.
3. Consequently, conversion of the annuity of private debts. mortgage, unsecured, and bonds of various companies at the legal rate of 2%. This reduction is applicable to all contracts, to all titles, to all commitments, past and present;
4. The reimbursement of public securities will be at the price of their emissions; the premiums they include for depreciation, being tainted by agio and usury, are canceled;
5. The companies WILL BE OBLIGED to reduce their rates and services in proportion to the reductions in interest and cancellation of premiums.

Note. — 1. The legal reduction of rents will have the effect of bringing parasitic capital into the very useful enterprises of sponsorship, where, by creating new wealth, they would find, like the merchant, at their own risk, the LEGITIMATE INTEREST of the value due to the genius of the enterprise;

2. By reducing prices and making everything cheap, small renters will find ample compensation for the reduction in their income, and the people will find relief from poverty.