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SOLUTION OF THE SOCIAL PROBLEM

LIQUIDATION OF THE BANK OF THE PEOPLE

(articles in *Le Peuple*)

(No. 144. — April 12.)

Paris, April 11.

TO THE SUBSCRIBERS AND MEMBERS OF THE BANK OF THE PEOPLE

Citizens,

The Assize Court of the Seine, by a judgment dated March 28 last, has sentenced me to three years in prison and a fine of 3,000 francs.

You are aware of the grounds for this conviction.

However this judgment may be carried out upon my person — whether as a voluntary exile or as a captive in a State cell — I am henceforth absolutely unable to represent the society of the Bank of the People or to manage interests of such gravity. Were I free, moreover, the circumstances in which we find ourselves would impose upon me other duties.

Compelled by necessity, compelled by the events currently unfolding, I therefore come before you to render my accounts, to thank you for the high degree of confidence

with which you have seen fit to honor me, and — while awaiting better times — to bring matters to a close, insofar as they concern my Bank of the People.

You will appreciate, citizens, the reasons behind my decision. These reasons are of two kinds: the first relate to the responsibility incumbent upon me — a burden I can no longer bear; the second derive from the general situation of the country and from the policy obstinately pursued by the government.

Far from the offices, far from the business affairs; receiving only infrequent communications from the Bank; and having been able, thus far, to give my ideas only an incomplete development; uncertain as to whether I have always been understood and making no claim to the ability to make myself worked out, how could I possibly keep pace with this immense array of details? For without a grasp of these details, there can be no generalization and consequently, no thought, and no resolution possible!... Now, if, owing to a lack of precise assessment regarding the facts of daily life, I am unable to generalize anything with certainty, to conceive of anything or to resolve anything, how can I possibly serve as the director of a commercial enterprise, or manage a bank? How could I know whether, through the agency of my colleagues or authorized representatives, the principles that ought to govern us are being faithfully observed and never distorted? How can I assume personal responsibility for acts that my own intellect is meant to inspire, yet which might, in reality, merely be the expression of someone else's thinking? How, finally, can I take charge of interests so manifold, so diverse and so delicate, coordinating them, serving them and setting them in motion simultaneously in the direction of both individual liberty and social equality; adhering to the laws of free credit and the mutual exchange of services; and never veering either toward the excesses of a selfish and abusive concept of property, or toward the utopia of a communism that is more sentimental than it is practical or sound? How, in short, amidst the deluge of socialist theories in which we are currently immersed, can I obtain any guarantee that my own thinking is not merely serving as a vehicle for the thoughts of others? And how can I be certain that, while I am bound to steer the enterprise in accordance with the specific theory upon which it is founded, I am not, in fact, unwittingly acting as the instrument of a theory that is utterly repugnant to it? Were I present in person, I could address these difficulties, dispel these doubts, reconcile these antagonisms and curb these reckless tendencies; I would have no cause to fear the flights of fancy to which my colleagues' imaginations might be prone. In my absence, however, I see only through unfaithful eyes; I become the mere plaything of the very first person who chooses to write to me or speak with me.

These considerations take on even greater gravity when I reflect that, intermingled with the ideas and well-intentioned whims of those upon whom I am compelled to place boundless trust, there may lurk hostile notions and perfidious suggestions. If, more than once — as revelations in the press have proven to me — inexcusable indiscretions have been committed in our midst, who is to say that, by a contrary turn of events, ill-advised impulses will not arise to sow confusion and scandal among us?...

It was because I knew all the perils and difficulties inherent in our undertaking, particularly in its nascent stages, that I claimed for myself, within our articles of association, an authority that was, if I may be so bold as to say, monarchical in nature; for a general partnership is, after all, but a microcosm of a monarchy. Yet, this very authority, so essential until such time as our principles and practices are fully understood, would not, in fact, be exercised by me; rather, it would be fragmented among twenty individuals, all holding divergent opinions and ideas. How, then, I ask once again, could I possibly accept the responsibility for such a form of governance!

As for the motives deduced from the country's situation and the government's policy, they are, in my opinion, no less decisive, no less peremptory.

At this moment, socialism is no longer a subject of debate; its attempts are no longer encouraged; its experiments are no longer tolerated; the only talk is of its extermination. It is not our ideas, but our very heads that the forces of reaction are after today. The time has passed for us to engage in legal and peaceful organization; we must fight for our very existence.

To organize through voluntary subscriptions and the networking of workers' societies is to waste time on trifles, and to expose ourselves, to no avail, to deportation and execution by firing squad. The world no longer has the patience to await the results of our experiments: we must either become the masters or vanish; we must conquer or perish within the arena of the Revolution.

To conquer! That is to say, to elevate the democratic and social principle to power; in that event, what need is there for the Bank of the People? What need for the offices on Rue du Faubourg-Saint-Denis? Is the Bank of France not already there? — To perish! That is to say, to fall once more beneath the yoke of armed capital, only to rise again at the end of time — the very last of humanity. In that case, too, what purpose is served by gathering the poor man's pennies, day by day, and soliciting the membership of the despairing proletariat?

Let others, less daunted and more free than I, take up the work of our enterprise: my sympathies, and, should they desire it, my assistance, shall not be denied them. As for myself, I now view the Bank of the People as a mechanism already inadequate to the task, and one whose results would come far too late! I seek something swifter. *Majus opus moveo*. I believed society to be dead, truly dead: yet it seems it still breathes, for it speaks of *eliminating* us, its heirs and successors! The decisive moment has arrived: within six months, we must achieve through polemics what the example of a thousand workers' associations, centralized by the Bank of the People, might perhaps fail to accomplish in ten years.

The reaction organizes its anti-social propaganda; let us organize our revolutionary propaganda. At this supreme moment, let the people gather their thoughts, not for battle, but for judgment. Let the bourgeoisie, before striking us down, at least listen to us. One last time, we shall debate this great trial; we shall grapple hand-to-hand with

capitalist privilege; we shall apply the scalpel to the ulcers of the social body. No riots, no clubs, no banquets: the press alone, and then the ballot box.

Such, citizens, are the considerations that have led me to resign my duties as Managing Director of the Bank of the People and, consequently, to initiate its liquidation.

According to the statutes, the Society can only be constituted when share payments have reached the sum of 50,000 francs; until that threshold is met, it remains merely a *plan* for a society; the Society itself *does not exist*. The director or founder is free to withdraw, but he is not at liberty to appoint a replacement; for such a substitution to take place, the subscribers and adherents must first be reimbursed, a new society must be formed, a new legal instrument must be drafted; the entire process must begin anew.

I therefore have the honor to inform you, citizens, that the proposed society for the Bank of the People, operating under the name *P.-J. Proudhon & Co.*, will not be brought to fruition.

The paid-up shares shall be reimbursed to the subscribers in the manner set forth below:

The cash position, as of the 8th of the current month, is as follows:

RECEIPTS		17,933 fr.
EXPENDITURES:		
1. Commercial furnishings	1,034 fr. 95 c.	
2. Profit and Loss (office supplies, printed matter, heating, lighting, rent for six months)	5,785 fr. 90 c.	
3. Salaries and allowances for 52 days, up to April 8.	1,327 fr.	
Total	8,147 fr. 85 c.	
4. Salaries from April 8 to April 26 (<i>Memo</i>).		
5. Carpentry expenses (<i>Memo</i>).		

In consideration of the highly devoted and so meagerly remunerated (1 fr. 50 c. per day) services rendered by the citizens who joined the enterprise of the Bank of the People, I deemed it just to grant each of them an indemnity equivalent to fifteen days' worth of their salaries.

The books of account, maintained with scrupulous accuracy and accompanied by supporting vouchers, will serve to substantiate the proper application of the sums disbursed.

Given that the judgment of condemnation handed down against me on March 28th constitutes both the primary and immediate cause of the present liquidation, I have deemed it appropriate to retroactively date this liquidation to March 28th.

Consequently, all payments toward share subscriptions made since March 28th shall be deemed null and void; the sums derived from these payments shall be the very first to be reimbursed to the subscribers.

As for shares subscribed prior to that date, the payments shall be categorized by amount; reimbursement shall proceed in ascending order – commencing with the smallest payments and continuing through to the largest – until the available cash reserves are exhausted. This process is designed to leave outstanding only the claims of the largest subscribers, toward whom I declare myself personally and exclusively liable for the full value of their shares, and whom I pledge to fully indemnify, subject to deferred terms of settlement.

I was the first to introduce to the world the concept of mutual or free credit.

I believed, I believe now more firmly than ever that it is possible to organize this form of credit through the adherence and concerted effort of the workers.

I solicited funds from the people to defray the initial expenses and to finance the first operations of this enterprise.

A judicial mishap, for which I can hold no one but myself accountable, now prevents me from realizing my project and bringing it to a successful conclusion. I must bear the sole responsibility for this venture and make restitution for all that I have received.

Wherever I may live me, I possess sufficient capacity for labor to hope to be able to fulfill my obligations. I implore my creditors to examine the books of the *Bank of the People*; therein, alongside the irrefutable proof of my commitment to order and economy, they will discover the guarantee of my good faith.

(No. 147 — April 15, 1849.)

Paris, April 14.

LIQUIDATION OF THE BANK OF THE PEOPLE

The newspapers bring me the chorus of curses and jeers that the liquidation of the Bank of the People has stirred up within reactionary circles. Through the thinly disguised glee of these honest folk, slanderous insinuations are already beginning to surface. To hear them tell it, I am a knight of industry, a scoundrel who must be prosecuted and branded as a fraudulent bankrupt.

By what right — asks *Le Constitutionnel*, always *Le Constitutionnel* — did M. Proudhon spend a sum of 8,147 francs on sundry expenses when the Society had not yet been formally constituted, when, by his own admission, it existed only as a mere plan? Under ordinary commercial law, one is not permitted to spend funds subscribed for an enterprise until the Society has been formally established. Yet, under the monarchical regime transiently instituted by M. Proudhon for his bank, it appears that the king's will was the law!

Another newspaper — *La Presse*, which I was surprised to find among my detractors — contrasts the subscription total achieved for the *workers' cities* project (914,675 francs) with the total raised by the Bank of the People as of April 8 (17,933 francs); seizing upon the paltry nature of this latter figure, it declares that both public opinion and practical experience have rendered a verdict against the enterprise, and that the Bank of the People was nothing but an act of folly. M. de Girardin, shrewd businessman though he may be, has nonetheless experienced his own share of setbacks in his industrial career; more than anyone, he ought to refrain from passing such rash judgments. Since when does he presume the right to pass judgment on a matter — I will not even say one involving an unavoidable accident, but one regarding which he knows neither the means nor the resources!... You have hurt me, M. de Girardin; but, as you are not entirely devoid of generosity, allow me to appeal from your haste to your better judgment. Your opinion, once better informed, may perhaps serve to vindicate an honest man. And that — for I, at least, am happy to do you justice — will not be the first good deed of your life.

I must, therefore, explain myself. I must, lest I be prosecuted and, in all likelihood, convicted as a bankrupt by the police of M. Léon Faucher and the courts of M. Baroche. The thirst among the enemies of socialism and the defectors from the Republic is great — and no longer merely for prisons, prison hulks, penal transportation and firing squads; for what are all these things compared to the rage of these gentlemen! They crave infamy as well! Infamy for me!... Oh, M. Thiers... But no exclamations; indeed, I have barely enough time to dash off this preliminary defense as my pen races across the page.

And why, then, should I not have spent 8,147 francs on the installation costs of the Banque du Peuple — provided, that is, that this expenditure was defrayed from my own funds, or — which amounts to the same thing — that I personally guaranteed it to the

society? Was the guarantee sound? That is the entire question. And it is precisely this matter upon which I now invite the public to pass judgment.

As for you — learned economists and great financiers who administer the State Treasury with such signal success; and you, entrepreneurs of newspapers, canals, railways, and mines — read carefully what I am about to tell you, and endeavor to profit from it for the sake of your future speculations. There are sometimes good ideas, believe me, within socialism.

In my mind, the idea of creating the Bank of the People is contemporaneous with that of founding the newspaper *Le Peuple*; both ideas date back to more than a year before the February Revolution.

Proof of this chronological precedence exists, on the one hand, regarding the newspaper *Le Peuple*, in a printed prospectus published in November 1846 under the auspices of Victor Pilhes, bearing the signatures of citizens Félix Pyat, Ribeyrolles, Thoré, Dupoly, Auguste Luchet and Proudhon; and on the other hand, regarding the Bank of the People, first, in the very terms of that prospectus, which stated that the new newspaper would take the initiative in economic reform through association and the organization of credit; and second, in the publication of the first two installments of *The Solution to the Social Problem*, a work that should appear in two octavo volumes, of which my brochure on *The Organization of Credit and Circulation*, published in April 1848, is merely an excerpt.

Thus, *Le Peuple* and the Bank of the People were in my mind two mutually supportive creations, destined to lean upon one another and develop in parallel, thereby providing the first example of the principle of reciprocity, which, in my opinion, must form the basis of reform. For, as I see it, within the economic order, nothing produced in isolation stands a certain chance of longevity or success; at least two coordinated, but not dependent elements are required; and the more these elements multiply, the greater the power and solidity the whole acquires.

We shall now see whether the Bank of the People, conceived in accordance with this principle, possessed the conditions for a satisfactory vitality. Let us begin, however, with the institution intended to pave the way for it and serve as its counterpart, which was, as I have mentioned, a newspaper.

At the time of the February Revolution, the publication of *Le Peuple* was initially postponed due to circumstances that need not be recounted here. Another newspaper, founded to propagate the same ideas and achieve the same objective, *Le Représentant du Peuple*, in the editorial work of which I began to participate on April 19th, had the honor of taking the initiative.

It was during the lifespan of *Le Représentant du Peuple* — that is to say, from April to August 1848 — and within the offices of that very newspaper that the first discussions regarding the Bank of the People took place; an institution then inaccurately referred to as the “Bank of Exchange.” The fate of *Le Représentant du Peuple* is well known: it succumbed to the legislation imposed under the state of siege, crushed by fines and

prison sentences, leaving its successor, *Le Peuple*, which, from that moment, began preparing for publication, with a deficit of 12,500 francs.

It was, therefore, with a liability of 12,500 francs, and with assets represented by zero, that *Le Peuple* came into the world, and that it was bound to carry on the work of its predecessor: namely, to develop the principle of social revolution through credit and to organize the Bank of the People. I have stated elsewhere that labor creates everything out of nothing; that, consequently, the service rendered must be gratuitous; and, therefore, that a bank, in order to be truly democratic and social, and founded with zero capital, must operate with zero specie. This was the moment, if ever there was one, to apply my principles; for not only did I, as the founder of both a newspaper and a bank, possess nothing, but I actually possessed 12,500 francs less than nothing.

The politics of the day – the very same as those of M. Bonaparte – served only to further aggravate this situation.

The security deposit requirement for newspapers had just been reinstated: this amounted to 24,000 francs – over and above the 12,500 – that had to be raised before a single line of *Le Peuple* had even been written. And, indeed, it was through no fault of M. Léon Faucher that the maximum deposit requirement did not exceed 24,000 francs. Had the National Assembly, in its greater conservatism, maintained the old figure of 100,000 francs (as M. Léon Faucher had wished), it is highly probable that *Le Peuple* would never have seen the light of day. What would have been the result? That socialism, deprived of one of its most energetic organs, would have succumbed all the sooner?... Nonsense. Socialism would simply have concentrated its forces; the journalists would have merged their efforts. Citizen Proudhon would have become Citizen Thoré's collaborator; *La Vraie République* would have boasted a circulation of 100,000 – instead of the 50,000 it was printing at the time – as would *Le Peuple*; and the Bank of the People would have counted Thoré and Proudhon as its co-equal founders. That is all. Go on, you fools, with your security deposits! You are making yourselves detested; you are piling up hatred and vengeance against yourselves. Meanwhile, the idea moves forward, and you are left with nothing but the odium of persecution.

Le Peuple – a posthumous child, born via Caesarean section – found itself endowed at its baptism, in lieu of traditional christening sweets, with 12,500 francs in debt, plus a security deposit of 24,000 francs that had to be furnished. It did not possess a single penny. This was, I repeat, the moment, if ever there was one, to prove that labor – labor alone and not capital – is productive.

Le Peuple began by issuing its prospectus. This prospectus, printed in a run of 40,000 copies and sold for 10 centimes each, yielded a net profit of 500 to 600 francs. In the same stroke, it collected, with the help of the founder and the editorial staff, a sum of 600 francs as an initial subscription toward the security deposit.

Now, note this: In publishing its prospectus, *Le Peuple* declared itself to be neither a monthly, nor a weekly, nor a bi-weekly, nor a daily publication; it did not yet exist; it

was merely in the form of a *prospectus* — just as, a fortnight earlier, the Bank of the People had existed only as a *plan*.

The public prosecutor nevertheless contended that the prospectus of *Le Peuple* constituted an offense punishable under the law on surety bonds; and for this act — the accursed newspaper, accursed like David from his mother's very womb — was sentenced to a fine of 200 francs.

But, in defiance of the public prosecutor's office, *Le Peuple* had managed to raise 6,000 francs; it could therefore appear once a week — and this became its base of operations, the foundation of its future success. Soon, as public sympathy grew, it was able to complete its surety bond of 24,000 francs and begin publishing daily.

But it is nothing to appear every day. Ask any journalist: one must cover one's costs. To balance its books, *Le Peuple* required between 15,000 and 18,000 subscribers; yet *Le Peuple*, having become a daily paper, initially had a circulation of only 10,000 copies. The entire editorial staff, along with a portion of the employees, worked without pay, drawing bills of exchange upon their own stomachs until better times arrived, much like the workers of the February Revolution. Despite the strictest economy and the staff's unwavering devotion, the daily deficit stood at 50 francs. *Le Peuple*, steadily devouring its own surety capital, was destined to cease publication within a finite period — unless, that is, it could discover within the inherent power of its principles a guarantee of its continued existence. *Le Peuple* triumphed: it survived.

Despite police persecution; despite seizures and lawsuits; despite the abysmal postal service, which the administration of Étienne Arago had been unable to improve, and which, under the sway of the political reaction, had gone from bad to worse for the democratic press; despite the destitution, imprisonment, exile, penal transportation and summary executions suffered by socialists; and despite the schism that had arisen within the democratic party; despite my duties as a representative and a month-long illness suffered by the director, the sales and subscription figures for *Le Peuple* soon began a steady ascent, from December 1st to March 28th, rising to 12,000, 15,000, 20,000, 30,000, 40,000 and 50,000 copies. Remove the June Days, remove the December elections, the hostility of the authorities and the widespread destitution, and the circulation of *Le Peuple* would stand at 70,000 today.

This success — starting from such humble beginnings — is surely, I imagine, a worthy rival to that of *L'Époque*, that publication of such honorable memory; *L'Époque*, which perished one morning, suffocated in a mire of blood and filth, after having devoured a million francs belonging to its shareholders and the government's secret funds! What does M. Granier de Cassagnac make of that? If my figures leave him with any doubts, I refer him to M. de Girardin, who is far more knowledgeable in such matters than he is.

Once the newspaper, which I regarded as the primary vehicle for economic reform, had been successfully launched and its continued existence secured, I was at liberty to turn my thoughts to the creation of the Bank of the People.

I shall not here reiterate the principles upon which this bank was founded; anyone interested has had ample opportunity to acquaint themselves with them. According to some, these principles are ridiculous, even absurd; according to others, they embody a truth as novel as it is fruitful. Yet, whatever the merits of the theory I sought to implement, I was not so naive as to expect the Bank of the People to derive its initial means of subsistence from the mere application of that theory; I knew that such means would have to be secured through specific resources drawn from sources apart from the subscribed capital; – it was for this that I had to provide.

And, first of all, the course that had been followed for the founding of *Le Peuple* was adopted for the Bank; that is to say, the Bank, too, would have to establish itself... Initially, it stood alone, with its principle and the spontaneous cooperation of its founders and without the aid of any capital.

Le Peuple – its first subscriber and first adherent defrayed the costs of advertising and publication; a few friends, well-versed in finance and accounting, volunteered their labor; a property owner lent his premises; workers from every trade supplied goods at cost price, often even below cost, providing, variously, a table, a printing press, a stamp, ledgers and so forth; the notary extended credit for the legal fees: and I shall ensure that he is paid.

Thus, the administration of the Bank of the People was provisionally organized through the free and devoted collaboration of its founders, and without capital.

On the day the Bank of the People, having secured a sufficient list of subscribers and adherents, was able to commence its operations and sustain itself through its own earnings, on that day the Society was to formally constitute itself and provide for its own expenses. Until that moment, the Bank subsisted solely on the devotion of its founders, the first of which, as I have stated, was *Le Peuple*.

The formation of the Society was to take place once the subscription total had reached 50,000 francs. I had stipulated this myself: firstly, because, under the terms of the law, every company must possess capital (a fact of which *Le Constitutionnel* is, no doubt, well aware); and secondly, because I wished the enterprise to appear serious and respectable – not merely to our friends, who knew exactly what to make of the significance of a 50,000-franc capital sum, but to the common folk, whom hard cash invariably holds in awe and admiration.

And, on this subject, I beg you to consider the moral standards of these *honest* republicans who have taken M. Thiers as their Pope and *Le Constitutionnel* as their Gospel!

I could, assuredly, have set the subscription threshold required for the Company's formation at 10,000 francs rather than 50,000. Who was there to stop me? I saw in this the distinct advantage of being able, in my capacity as the Society's manager, and without incurring any personal liability whatsoever, to spend the subscribed capital the moment the subscriptions reached the 10,000-franc mark. In the event of a financial disaster, I would have been fully absolved of any obligation toward the

Society. For once the Society was formally constituted, no one would have had any grounds for complaint; *Le Constitutionnel* would never have suspected me of malfeasance or misappropriation of funds. Fundamentally, the actual state of affairs would have remained absolutely unchanged; I would have been neither more nor less blameworthy than before. Yet the Society would have been formally constituted; commercial law would have been satisfied! What a stickler for formalities is *Le Constitutionnel!*...

I have chosen the figure of 50,000 francs, neither too small nor too large, because, despite the sluggish pace of subscriptions, this sum would have been fully raised within three days through my efforts, had it not been prevented by circumstances extraneous to the Bank of the People, but circumstances that served to paralyze its development. I refer, of course, to the daily legal proceedings instituted against *Le Peuple*.

Le Peuple, let this not be forgotten, was the official organ of the Bank, as well as its principal financial backer – I almost said its foster father. In this capacity, *Le Peuple* was bound to defray the Bank's expenses until the day the Society was formally constituted, even if that day were to be postponed for a full year. I might add that, in my view, such financial support on the part of *Le Peuple* was nothing less than a matter of simple justice. For although the Bank existed at that time merely as a blueprint, it had already – through the publicity it had garnered, through its thirteen or fourteen thousand adherents, through the numerous committees formed on its behalf both in Paris and throughout the provinces, through the public debate of which it was the subject, and through the hopes it had kindled – secured for *Le Peuple* a considerable expansion of its reach. And while it is true that, as of April 8th, the offices on Rue du Faubourg-Saint-Denis had incurred expenses amounting to 8,147 francs for the offices on Rue Coq-Héron, it is equally true that the Bank of the People Society had yielded for *Le Peuple* an inestimable increase in both sales and subscriptions.

As of March 28th, the Bank's expenses amounted, if my memory serves me correctly, to 60 francs per day. For *Le Peuple*, this was equivalent to the cost of distributing one thousand copies of the newspaper free of charge.

The question, then, was this: could *Le Peuple* afford to provide the Bank with this subsidy of 50 francs? – Such, for me, was the pivotal issue – the *sine qua non* of the very existence of the Bank.

We shall now judge whether the measures I had taken were sound.

The net proceeds from *Le Peuple*, with an average circulation of 40,000 copies, currently amount to approximately 250 francs per day.

The financial statement for the month of March showed a profit of 8,000 francs, or roughly 266 francs per day.

Le Peuple was, therefore, in a position to provide the Bank with four times its operating costs and more.

Such, I repeat, was the situation as of March 28th; and it was my knowledge of this situation that instilled in me that sense of confidence regarding the future of the Bank of the People that so often astonished my colleagues in the National Assembly, as well as all my friends.

Let me emphasize once again that, in all of this, I am making no reference to the future proceeds of the Bank's own operations; it is not from the certainty of those proceeds that I draw my justification. The Bank's own earnings were, to my mind, just as certain as the revenue being generated for it by *Le Peuple*. I shall demonstrate this at a later date, when I resume the *Demonstration of Socialism*, a work that my conviction brought to a halt. Here, I am concerned solely with the Bank's means of subsistence APART FROM its own operational earnings. The Bank, I maintain, could have continued to function, sustained by the support of *Le Peuple*, for a year, or even two, without having to touch a single centime of its capital.

Well! This marvelous prosperity, this unprecedented situation — who was it that destroyed it? Ask M. Baroche; ask M. Meynard de Franc; ask M. Desparbès de Lussan; ask the intelligent jurors of the Seine.

Le Peuple — in the very month when its profits reached the figure of 8,000 francs, and at the very moment I was ordering the printing of the circulating notes for the Bank of the People — was struck, blow after blow, with fines totaling 20,000 francs. The outlook regarding pending lawsuits suggests a sum at least equal to that; and once all these cases have been settled, others will be conjured up. This is to say, in effect, that when *Le Peuple* generates five, the vengeance of the authorities seizes ten, fifteen or twenty.

The proceeds from subscriptions amount, to date, to 5,000 francs; but it is clear that these subscriptions, even when added to our profits, are still far from reaching the total figure of the fines imposed. Moreover, however deep the sympathy of the working class may be (a sympathy that does such great honor to the editorial staff of *Le Peuple*, and of which we are so proud), is it not prudent, wise and reasonable to assume that the public will tire of subscribing long before Prosecutor Baroche tires of prosecuting?

The Public Prosecutor's office is at liberty to secure the conviction of *Le Peuple* whenever and however it pleases. Is it, after all, in any want of pretexts? Is the law not sufficiently elastic? What am I saying? When dealing with *Le Peuple*, is there even any need to consult the law? Is *Le Peuple* not, as the Praetor used to say, *exlex*, outside the law? Is it not sufficient, in order to crush *Le Peuple*, for the Public Prosecutor simply to label any of our articles (even those least susceptible to such classification) as involving whatever specific offense he sees fit? To argue, for instance, that an attack on Louis Bonaparte constitutes an attack on the Constitution? That an invective directed at the enemies of the Republic amounts to incitement to hatred and contempt among citizens? Or that an account of the June massacres is, in fact, a call to civil war? Have no fear, then: neither persecution nor fines will be found wanting. *Le Peuple* and their friends will never be equal to the task: their destruction is sworn; they must perish! This is how the moderate party understands the discussion of social ideas.

Is it, then, my fault if M. Léon Faucher, arming himself with the full force of state power, is more effective at destroying than I am at creating, even with the assistance of a mere half-dozen poor men of letters? Is it my fault if the revenue of the Bank of the People has suddenly run dry and if certain expenses, which, in my capacity as the future, albeit not yet formally appointed, manager of the Bank of the People, I alone must bear; expenses incurred under my personal liability, for which I hold the sole burden, and which were meant to be covered by *Le Peuple* on an ongoing basis — is it my fault if these expenses, suddenly left without collateral, compel me to abandon my project and ask for time?

At the very moment I write these lines, a sum of 9,000 francs is due to be refunded to me from the security deposit for *Le Peuple*. This amount exceeds the entire cost of the project of the Society of the Bank of the People itself. Such is the guarantee I personally offer to the Bank's shareholders. On the other hand, *Le Peuple* — a publication established to support the Bank of the People not merely through its publicity, but through its actual funds, until such time as the Bank's own operations could sustain it — *Le Peuple* has collected 4,000 francs in subscriptions specifically earmarked for the payment of its fines; furthermore, it possesses a cash reserve which I estimate to be double that amount. Such is the guarantee that *Le Peuple* offers to those same shareholders.

But *Le Peuple* currently finds itself committed to liabilities totaling 4,000 francs. Another 10,000 francs, another 6,000 francs, and yet another 6,000 francs, to cover the costs of four convictions, plus the convictions yet to come, numbering four or five.

Is it not natural that, in a situation such as this, I, the founding director of both *Le Peuple* and the Bank of the People, should ask the shareholders for a delay, lest I expose the newspaper to a disastrous suspension?

Let them demand the immediate redemption of their shares; that is their right. I have no objection to offer, and I stand ready to comply. Once again: to cover the sum of 8,147 francs in sundry expenses — expenses I have incurred, expenses I was compelled to incur — I have my own security deposit; and *Le Peuple* has its cash reserves. Yet I repeat: the very existence of *Le Peuple*, which has not yet had the time to build up a reserve fund, will be jeopardized thereby. And that is precisely why, once again, I appeal to the subscribers for their patience. Can it be, then, that they subscribed to the Bank of the People solely to lend a hand to the authorities and bring about my ruin?

My financial position is as liquid as my conscience is clear; and I defy all the speculators, extortioners, usurers, parasites and sycophants of both the old and the new regimes to find any grounds for complaint against it. Of all that I have received on behalf of the Bank of the People, I have not drawn a single centime for my personal expenses; of all that *Le Peuple* has generated since its inception, I have not received, whether in the form of a salary, an indemnity or any other allowance, so much as a five-franc piece. My colleagues have followed my example: save for the bare necessities, they all labor, just as I do, without remuneration toward the emancipation of the proletariat. If *Le Peuple* is austere in its editorial tone, and if it rarely indulges in

sentimental displays, it nonetheless knows how to practice true selflessness. I felt compelled to state this, having been forced to do so; my colleagues, I trust, will forgive me for having divulged the secret of their disinterestedness.

In my eyes, the success of the Bank of the People was a thousand times more assured than the success of *Le Peuple*; yet, I hope that, at the very least, the latter will eventually be acknowledged. Indeed, what heights of success might one not have anticipated from a Bank whose entire operating costs were covered by a private subsidy for a period of one or more years, a Bank which, subsequently replacing the metallic backing of its banknotes with the guarantee of their universal acceptance, would have had absolutely no need to negotiate or contend with the capitalists!... which provisionally fixed its discount rate at 2 percent, with the intention of soon lowering it to 1 percent, and even to 1/2 percent, of a Bank which, applying its principle everywhere, the principle of the non-productivity of capital and the exclusive productivity of labor – a principle that had successively presided over the founding of *Le Peuple*, and subsequently that of the Bank of the People – was poised to progressively establish a relationship of mutuality among all industries, and between them and itself, just as it already existed between the Bank and *Le Peuple*: first two industries, then three, then four, then a hundred, then a thousand – and all this without the slightest hindrance, with the most complete liberty for all and in the most perfect harmony!

The editor of *La Presse* smirked at that figure of 50,000 francs, subscribed penny by penny – the coupons were valued at 50 centimes, and there were shareholders who intended to pay for their shares over a period of ten months! – which was intended to constitute the capital of the Bank of the People, and which, after three months, had reached a total of only 18,000 francs. As if I had ever based my plans on that capital of 50,000 francs! As if I had taken any amount of capital whatsoever as the starting point for the operations of the Bank of the People! As if the Bank of the People, founded to champion labor against capital, was not bound to provoke the aversion of capital! As if those shares were not, by design, non-interest-bearing! Ah, Monsieur de Girardin! You had all but endorsed the Bank of Exchange nearly a year ago. Is it to atone for that minor indiscretion that you now come forward to kick at the Bank of the People?

Spare me, at least, the animosity of Messrs. Faucher and their ilk; relieve me of the relentless persecution by the authorities, and *Le Peuple*, no longer having time to waste on lawsuits; and soon reaching, through the power of the principle of reciprocity established between themselves and the Bank, and, through the Bank, between themselves and all the workers' associations, a circulation of 100,000 copies, generating monthly profits of 15,000 to 20,000 francs, would acquire, within a few months, the financial power equivalent to a capital of *five million*. The available capital of the Bank of the People would simultaneously increase, bolstered by the deposits of *Le Peuple*, by the flow of subscriptions, which would soon accelerate, and by the proceeds of the Bank's operations. This capital, finally, sustained and multiplied by the acceptance that is the principle of the Bank, would, as the number of adherents grew, function as a

capital three, four, five, ten, twenty or even a hundred times its actual size; meaning that one million within the Bank of the People would have performed the same service as three, four, five, ten, twenty, or a hundred million within the Bank of France. In less than a year, the Bank of the People would have shifted the balance of half of Parisian commerce; it would have set two million workers in motion. Capital was seized by the throat – and, I dare say, before anyone even suspected it, I very nearly strangled it.

But really! The government of December 10th has taken upon itself the mission of saving society from the terrible clutches of socialism! Better that the proletariat perish under the presidency of Louis Bonaparte, with M. Faucher and his honorable friend M. Thiers, than live under the care of Citizen Proudhon! A proletariat employed, fed, and enriched by a socialist! The horror! Socialism, to the honest Republic, is like pork to the Jews!

One more word, and I shall conclude. Someone has had the audacity to ask why, hindered as I am by my conviction from devoting my efforts to an enterprise upon which the honor of my life depends, I did not delegate my powers to a lieutenant. *Le Constitutionnel* would have liked me to direct the Bank of the People by proxy. If the idea is sound, says this standard-bearer of convention, the implementation is bound to succeed; your presence is useless.

Yes, if the application, directed by other hands, remains true to the principle. But observe the misfortune! No sooner had I declared that I was stepping down from involvement with the Bank of the People than a number of my former collaborators announced their intention to carry on my work – and to do so, they claim, IN NEW TERMS, by means of a DEMOCRATIZED MANAGEMENT. In other words, the ideas of Saint-Simon, Fourier, and all the other utopians would have converged, under the guise of *democratized management* and under the personal liability of Citizen Proudhon, within the very walls of the Bank of the People!...

"What!" I can hear someone say. "You chose as collaborators men who did not entirely and exclusively share your point of view? What a contradiction!" – Precisely. I love contradiction; I love the utopians – especially when they possess a good heart and are honorable people. I learned more from them than from the Academy or the schools. That is why I had taken a certain number of them under my wing. Living in their midst, I did not fear their errors – errors which were often of use to me. Yet, now that I am withdrawing, I trust I may be permitted to withhold my unqualified endorsement.

Rejoice now, you worthy and loyal adversaries of socialism; sing your victory! Proclaim that the Bank of the People has foundered miserably before ever seeing the light of day, and that its founder – a petty, pint-sized Law – has fled, absconding with 8,000 francs belonging to his dupes. Publish it far and wide: the matter is settled; socialism is finished; there is no longer any need to exterminate it, for it is executing itself. Run to the King's Prosecutor! Let the books of the Bank of the People be seized! Let seals be affixed everywhere! Let the full panoply of a criminal prosecution be brought to bear! Let *Le Peuple* then be halted daily at the post office and in its own

offices; let its accumulated fines reach the figure of 200,000 francs within a mere fortnight; let payment be demanded immediately – provisionally, and prior to any final judgment; let its security deposit be seized summarily and provisionally; and then let it be trumpeted from the rooftops everywhere: the Fatherland is saved! Citizen Proudhon has gone bankrupt!

Bankrupt! Socialism bankrupt! – But you already believed it dead after the events of June; you had executed it so thoroughly back then! Just look, then, at how many recruits it has gained since that time! – You flattered yourselves that you had crushed it from the parliamentary tribune on July 31st. Do you remember? And so it is that, on July 31st, the Democratic and Social Republic received its sacrament of confirmation, just as, on June 26th, it had received its sacrament of baptism! – You claimed that the vote of December 10th had erased even the very memory of it; yet here are sixty representatives of the people accepting it as their platform. With Louis Blanc and Proudhon gone, you now have the entire Mountain on your hands. You will soon learn, or I am sorely mistaken, whose memory the people will cherish the longest: that of Louis Bonaparte or that of socialism.

O cowards! If you seriously wish to see socialism confounded, both by your words and by its own deeds, then dare to request a three-year safe-conduct on my behalf, and let Citizen Louis Bonaparte issue orders to his Attorneys General to leave me in peace. I shall speak of him no more; and then you shall see what a single man and a single idea are truly capable of!

But what am I doing? No! No! No false hopes, no feeble compromises, no weakness! The Bank of the People offered a solution that was as peaceful as it was legal; what you require is a revolutionary solution. The Bank of the People would have transformed you into honest laborers; what, then, will the Revolution make of you? You are unworthy to row in the galleys of the Republic.

(No. 148 — April 16, 1849.)

Paris, April 15.

The following statement was published this morning in *La Démocratie pacifique* and addressed at the same time to our friend Proudhon, who has forwarded his reply to us this evening:

OBSERVATION
OF THE COLLABORATORS OF CITIZEN P.-J. PROUDHON
CONCERNING
HIS DECLARATION TO THE SUBSCRIBERS AND ADHERENTS OF
THE BANK OF THE PEOPLE

Citizen P.-J. Proudhon publishes today in the newspaper *Le Peuple* the declaration in which he announces that the proposed Society for the Bank of the People — operating under the firm name P.-J. Proudhon & Co. — will not be carried into execution. At the same time, he notifies the subscribers and adherents of the measures he has decided upon to effect an immediate liquidation, for which he intends to remain solely responsible.

We had received a notice worded differently from the statement published in the newspaper *Le Peuple* — specifically, through a letter that Citizen Proudhon had written to Citizen Guillemin, who was acting as his authorized representative and whom we had accepted in that capacity since the inception of the Bank's operations.

It is to this letter that we responded with the notice inserted this morning in the newspaper *Le Peuple*, immediately following Citizen Proudhon's statement.

We regret that Citizen Proudhon's public statement was not communicated to us in advance. The publicity given to this document imposes upon us the obligation to rectify it on several essential points where we find ourselves personally implicated — points which were not mentioned in the letter of which we had knowledge.

At the moment when Citizen P.-J. Proudhon was struck, our first duty was to express to him our desire that he continue the work he had begun, come what may; we offered him the assurance of our unwavering support and our firm resolve to once again accept the representative, his personal friend, whom he had designated at our own specific request immediately following the signing of the deed of January 31st. We left him, however, entirely free to withdraw completely and to place the Society he had formed into liquidation.

Consequently, we were bound to accept, as indeed we did accept, the contrary decision reached by Citizen Proudhon; for decisions of this nature fall solely within the domain of the conscience of the individual making them when faced with such grave responsibility, and because, after all, his decision could be grounded in the most legitimate of motives.

The exposition of these motives would have sufficed perfectly to personally exonerate Citizen Proudhon in the eyes of his adherents and shareholders, and in the eyes of the entire populace.

Citizen Proudhon was not content with this alone: he deemed it expedient to elevate an isolated incident of individual persecution, which we are the first to deplore, and to condemn, as a general system of conduct to be followed at this moment, with regard to the practical work of the emancipation of the workers.

Strictly speaking, and disregarding the proprieties of time and place, which might have been observed with greater care, we could still understand this part of Citizen Proudhon's explanations; although we now find ourselves compelled to state why our opinion on the general question differs entirely from his.

But what astonishes us is to see presented in these explanations, as if they were matters entirely novel to Citizen Proudhon's mind, certain organizational principles established by his undersigned collaborators prior to his own involvement in the work of the Bank of the People, and accepted by him as a compromise at the time of its formation.

What deeply distresses us, what, despite all our forbearance, we find it impossible to tolerate, are insinuations such as these: namely, that amidst the ideas, the well-intentioned whims, of individuals in whom Citizen Proudhon was allegedly forced to place unlimited trust, there may have lurked *hostile ideas* or *perfidious suggestions*; and that *inexcusable indiscretions* were supposedly committed by certain of Citizen Proudhon's collaborators.

Citizen Proudhon forgets that the assembly before which he *ex abrupto* took the initiative to solicit opinions, a request he had not even yet addressed to his regular collaborators, was, for all intents and purposes, a public gathering; held with open doors, composed largely of individuals unconnected to the administration of the Bank, and, above all, that this assembly had an objective entirely different from that of merely listening to what was said by Citizen Proudhon alone, and without any accompanying injunction regarding silence or discretion.

As for *enemy ideas* and *treacherous suggestions*, if Citizen Proudhon means by this those opinions contrary to his theory of exclusive individualism, and contrary to his claim to reduce the entire economic revolution to the sole solution of the problem of *circulation* — a problem which is soluble only through an organization, if not prior, then at least simultaneous, of *production* and *consumption* — then Citizen Proudhon cannot be unaware that, from the very first meeting, to which one must trace the origins of any practical implementation, his collaborators openly raised and professed these opinions. Nor can he be unaware that these opinions gained new strength among the Bank's personnel, serving as a counterweight to the shortcomings of his own exclusively individualistic theory, through the addition of several members of the Permanent Commission of Delegates who had previously sat at the Luxembourg; and, finally, that the conditions of the support extended to him were always formally stated, before, during and after the operations that led to the formation of the Society on January 31st.

Citizen Proudhon, therefore, had no right to express any fear or suspicion regarding any of his collaborators. It was not we who asked for his trust; rather, it was we who gave him ours, and unreservedly so, leaving him, as a transitional necessity, the sole right to dispose of what we consider to be the repository of the socialist tradition and the faith of the people.

To clarify the reciprocal situation in this regard, we have the minutes of the Organizing Committee of the Bank of the People, covering the period from September 24, 1848, to February 15, 1849; the report presented at the meeting of the Luxembourg delegates on January 16; and, finally, the Act of January 31 itself. We refer to these documents.

And now, if Citizen Proudhon truly harbors specific grievances against any of his collaborators, we ask him to articulate them in a manner other than through vague assertions. Otherwise, we tell him that whatever grounds for complaint he may have regarding *indiscretions* or *hostile ideas*, we, too, must endure them just as he does; and that we were fully prepared to pay no more heed to them than to the other thorns and brambles that invariably lie strewn along the path of truth and duty.

There remains the general question. We need not dwell upon it at this moment; we merely observe that, in our view, the theoretical struggle – which must now, more than ever, be waged against our adversaries – cannot be separated from the practical work of the people's emancipation. This work has already begun; it can be brought to fruition within the legal framework where we have, thus far, pursued it without hindrance; and, in any event, we shall defend it inch by inch.

Let polemics run their course – nothing could be better. Yet we doubt that they can, in the space of six months, and without the prior establishment, or at least the prior testing, of organic institutions, bring about the social revolution, even if considered solely from its material aspect. But whether after six months or after ten years, ten thousand workers' associations, centralized through the Bank of the People, will remain a tangible result, possessing intrinsic value as a foundational cornerstone, and one that in no way precludes the undertaking of further endeavors.

Did not Citizen Proudhon himself declare, in a solemn statement, that the principles of the Bank of the People constitute the entirety of socialism and that, outside of this framework, nothing exists but utopias and chimeras!...

None of the undersigned collaborators accepted the question as framed in those terms; yet all of them, though firmly convinced of the insufficiency of the Bank of the People by itself, nonetheless embraced it and devoted themselves to it as the indispensable starting point for all that can, and must, eventually follow.

Be that as it may, the workers' associations are now a reality. They are striving to establish order and stability within their ranks; and, through the Bank of the People, they have sought to create a central hub for their collective organization. The center belongs to them; it is for the workers' associations to determine the new destiny of the Bank of the People.

Citizen Proudhon will judge, by the new proposals we are about to address to them, what concessions his collaborators had made to his person, what sacrifices they had made of their own ideas, in accepting, out of entirely exceptional considerations, which served merely as a tribute to his talent and his courageous initiative, that which Citizen Proudhon terms his monarchical omnipotence...

It was the omnipotence, and the absolute devotion, of a servant of the people that they intended to quietly affirm; and not the autocracy of an individual system or of a systematic individuality, that old tradition of *Catholic* and proprietary monopolies,

which is utterly contrary to the spirit and principles of the Democratic and Social Republic.

To avoid attributing to Citizen Proudhon the ulterior motives that his declaration reveals, we had, in the first place, his own assertions. and furthermore, what he wrote quite recently in *Le Peuple*, in the issue dated March 21:

What, then, am I doing other than seeking *means*? As for a *system*, I have none, I want none; I formally reject the very suggestion of one.

Paris, April 12, 1849.

Signed: V. CHIPRON, F. CHERTIER, E. DUBUC, L. LAVOYR, A. LEFAURE, JULES LE CHEVALIER, RAMON DE LA SAGRA.

RESPONSE

The observations just read, and the reflections they suggest, will serve to fully enlighten the public regarding the irregular situation into which the Bank of the People would have fallen following the conviction of its director; they demonstrate the urgent necessity of immediately initiating the dissolution of the Society.

The authors of these *observations* first imply that I acted insincerely toward them, by speaking of them in a private letter in a wholly benevolent manner, while, in the circular addressed to subscribers and members, I appear to cast suspicion upon their loyalty and dedication.

I begin by pointing out to them, in turn, that in the private letter to which they refer, I singled out no one; nor can I understand how, given that I was addressing everyone – they could have viewed themselves as *personally*, that is to say, exclusively, implicated by the terms of the circular. The *Observers*, if I may be permitted the expression, did not constitute the entirety of the Bank of the People's staff. Why do they set themselves apart from their colleagues? Why this sort of schism, for which there is no justification? Did an opposition faction exist within the Bank of the People? Was the divergence of views, which I merely anticipated in my letter to the subscribers and members, already a settled matter in the minds of these gentlemen? Truly, all of this is news to me, and, until I receive further information, I am utterly at a loss to understand it.

But none of the actions for which I am reproached actually took place on my part. I have stated this before, and I repeat it now: I was fully aware of the private opinions held by each of the founders of the Bank of the People, and I never once contemplated holding those opinions against them. Consequently, in a letter written with them in mind, I had no reason to make mention of a difference of opinion that I had not only refrained from criticizing, but had, in fact, actively sought out; in a farewell letter addressed to my colleagues, I had nothing but praise for their friendship and gratitude for their zeal.

As for the public, that was a different matter entirely. While, during my forced absence from the Bank, I might harbor misgivings regarding ideas that were not my own, I had the right, without intending any personal offense, to express those misgivings. I may perhaps have been unfortunate in my choice of words; yet that was my sole intention. Was I right, or was I wrong, not only from the standpoint of my own responsibility, but also in terms of the principles of the Bank of the People and the best interests of its subscribers? Only the future will tell.

A second observation, which I cannot accept, is the suggestion that the power of attorney I granted to Citizen Guillemin had to be previously *accepted* by my associates; that my subsequent decision to liquidate the Bank likewise required their assent; and that, consequently, my circular ought to have been *submitted* to them for review before being sent to the printer, etc.

Were this merely a matter of the mutual courtesies that decent people owe one another, I would not bother to address such trivialities. M. Guillemin, whom I introduced to the Society as my authorized representative and friend, has been *accepted*; I readily acknowledge that fact. On both sides, this was a gesture of deference. I would have extended the same courtesy regarding the circular, had time permitted.

But from that exchange of pleasantries to the notion that I was under any obligation to seek the counsel, or obtain the formal assent, of anyone whatsoever, there lies an abyss. And since these *observers* were addressing the public, since they were lending their observations a sort of official character, they ought to have couched them in terms of unimpeachable legal accuracy. Was the Society of the Bank of the People a general partnership, or was it not? Was I not its sole and responsible manager? Were the men who had graciously lent me their assistance, in the eyes of the law, anything other than employees? Did they, by some chance and unbeknownst to me, constitute a supervisory board? And when, as the custodian of other people's funds, sensing my solvency to be in jeopardy, I deemed a liquidation necessary, did I in any way infringe upon the rights of collaborators who bore not the slightest responsibility? Would they have had me hand over to them the funds and the authority that had been entrusted to me? But to have done so would have been to exceed my powers. What is it they mean? Let them explain themselves!...

Turning next to my decision to liquidate — a decision they still accept — the *observers* raise two complaints: first, that I allegedly sought to *elevate an isolated incident of individual persecution into a general system of conduct to be followed regarding the practical work of workers' emancipation*; second, that I felt compelled to cite as grounds for liquidating the Bank of the People, on the one hand, the divergence between my opinions and theirs; on the other, the indiscretions committed by certain individuals; and finally, as a third point, the entirely natural fear I harbored that, since the doors of the Bank were open to *indiscretions*, they might also be open to *suggestions*. They conclude by declaring that the Bank of the People is the property of the workers' associations, that it is to be continued on broader foundations, that its program will be made public forthwith, and so on.

From all of this, it clearly emerges — and the *authors of these observations* make no bones about stating it — that if they had hitherto *accepted* the Bank of the People as it stood, it was solely as a concession to my person and by *sacrificing their own ideas*; but that now, it was plain for all to see that I was a *monarchist*, a *Catholic*, a *proprietor*, etc., etc.

As for my resolution to temporarily step aside from the Bank of the People in order to devote myself exclusively to republican institutions, a resolution I am accused of having turned into a general rule of conduct, it is easy for me to reply; I need only recall my own words: "Let others," I said, "less apprehensive and freer than I, take up the work of our enterprise; my sympathies — and, should they desire it, my assistance — will not be wanting!" Would it not seem as though people were being prevented from devoting all their energies to solving the problem of poverty? I spoke solely for myself — and even then, it is evident that what I said remains contingent upon the government's policies. Should the government become, for once, more tolerant, less slanderous, and less bent on extermination, I shall retract my words. I will be the first to set the example of a peaceful, traditional and lawful resolution.

Let Messrs. Jules Le Chevalier, Ramon de la Sagra, and their honorable associates therefore rest assured: I had no intention of discouraging either them or anyone else. Let them attempt, if they can, to organize free credit. I would be delighted. But let them speak no more of the Bank of the People; for, having now been released from the *concessions* they had previously made to my *person*, and having reclaimed all their ideas without *sacrificing any*, giving free rein to their speculations, it is evident to all that the undertaking they are currently preparing will not be a continuation of my own vision, and that it will have nothing in common with the Bank of the People.

As for the *indiscretions* of which I complained, they are admitted — though excused; and one must see in what style:

Citizen Proudhon forgets that the assembly before which he *ex abrupto* took the initiative to solicit opinions, a request he had not even yet addressed to his regular collaborators, was, for all intents and purposes, a public gathering; held with open doors, composed largely of individuals unconnected to the administration of the Bank, and, above all, that this assembly had an objective entirely different from that of merely listening to what was said by Citizen Proudhon alone, and without any accompanying injunction regarding silence or discretion.

The meeting at which I spoke that day was *confidential*; it was held in the secretary's *private office*, behind *closed doors*, and consisted of some *twenty* people, all *delegates* appointed by the organized district *committees* to collect subscriptions and membership applications for the Bank of the People.

The stated purpose of this meeting was to hear something entirely different from what Citizen Proudhon said *ex abrupto*, without any recommendation of silence or discretion! — Can one even conceive of such a thing? Citizen Proudhon, the responsible manager of the Bank Society, taking the floor *ex abrupto*, without asking for permission and without calling for silence, in a meeting convened by someone other than himself

and for an entirely different purpose! Will someone do me the favor of telling me just who constituted this occult management that, operating under my name, administered the Bank of the People, convened assemblies, set the agenda, granted or withheld the right to speak, and, by failing to enjoin silence, divulged the secrets of the deliberations? *O pauperes spiritu!*

I do not go so far as to suspect any of the citizens who were associated with the Bank of the People of having had dealings with the police, despite having been warned to that effect on several occasions by individuals of the utmost respectability. My conscience refuses to believe in such infamy! However, I do maintain that indiscretions were committed. Now, indiscretion leads to suggestion; and if one's spirit is weak and one's conscience lacks robustness, one can be led a very long way indeed by the counsel of friends and flatterers.

Did I not hear myself being told – by very honorable collaborators, no less – that the expenses I incurred on behalf of the Bank of the People prior to the formation of the Society ought to be charged to the Society's account; that it was unjust that I, while laboring for the emancipation of the proletariat, should have to pay the costs of that emancipation out of my own pocket, etc.! I spent 8,000 francs under my personal guarantee for the Bank of the People; I would have spent 40,000 WITHOUT ANY GUARANTEE had I yielded to certain suggestions, to certain impulses. And people take offense that I am liquidating!

I am eager to bring this to a close, for it is not without regret that I have taken up the pen. The citizens – my collaborators of yesterday, who today address their remonstrances to me – felt constrained within the Bank of the People as I had organized it and as I intended it to be. Now, free from my influence and my burdensome tutelage, they are at liberty to give full scope to their ideas.

“Citizen Proudhon,” they say, “will judge – by the new proposals we intend to submit to the workers' associations – what concessions his collaborators had made to his person, and what sacrifices they had made of their own ideas, by accepting – through concessions of a truly exceptional nature – what Citizen Proudhon terms his *monarchic omnipotence!*... Did he not write, in a solemn declaration, that the principles of the Bank of the People *constitute the entirety of socialism, and that, outside of this framework, there is nothing but utopia and chimera?*... None of his undersigned collaborators accepted the issue as thus framed; yet all of them – though firmly convinced of the inadequacy of the Bank of the People – adopted it and served it, regarding it as the necessary starting point for that which can and must follow... For us, the problem is solvable only through an organization – if not prior, then at least simultaneous – of *production, consumption and circulation.*”

There is the magic word; there is the Triad!

Poor friends, who have never grasped the rudiments of economic science, any more than those of logic! Who have never been able to comprehend this law: that an absolute idea implies its correlative absolute ideas; that, consequently, to realize absolute *liberty*

is to realize, at the same time, *equality* and *fraternity*; and that, likewise, to organize *circulation* is to organize, in that very same stroke, *production* and *consumption*!

Production! Leave that to the workers' societies, to the true laborers. It is not by chattering from six in the morning until eleven at night in socialist conclaves that you will organize production; it is by taking part in the toil, by working, by producing!

Consumption! Go on — I have no worries on that score. Collaborators will not be lacking for this second term of your triad.

Circulation! That is the difficult task, but one which, I am ashamed to say, received the least attention at the Bank of the People. When I spoke of *relation*, I was answered with *organization*! They legislated, they regulated; they drafted and redrafted the articles of association for the workers' corporations — and God knows what brilliant successes those free consultations achieved! At last, the opportunity presents itself to ORGANIZE freely and without hindrance, on the vastest scale, production, consumption and circulation. Citizen Proudhon shall judge how long he has delayed the happiness of humanity through his petty conceptions, and what sacrifices have been made to his ideas and to his person. May he not die of shame and remorse for it!

You willed it so, friends; let it be done according to your desire. I shall not depart from my principles; And when the day comes for me to resume my work — which is, as yet, barely sketched out — I shall know how to choose my collaborators. I assure you, I shall not have the unpleasant experience of a second purge.

In the meantime, here is something the public might not be entirely indifferent to learning.

At the urging of my friends, and in order to demonstrate ever more clearly to the nation my desire to work, through peaceful and legal channels, toward the emancipation of the proletariat,

The enterprise I initiated under the name Bank of the People shall be subsequently revived;

The Articles of Association shall be revised;

The establishment of the Bank of the People shall be contingent upon the following conditions:

The payment of the fines already imposed — and those soon to be imposed — against *Le Peuple*;

The continued goodwill of the public and, if possible, an increase in its readership;

A less suspicious and less hostile stance on the part of the government.

Le Peuple owes the Bank of the People, until such time as the latter can sustain itself through its own earnings, an annual subsidy of 20,000 francs, representing a capital sum of 400,000 francs; for the Bank of the People must not subsist at the expense of its subscribers.

In order to secure this subsidy, and to deprive the authorities of any pretext, the editorial staff of *Le Peuple* will endeavor, henceforth, to substitute reasoned discussion for vehemence throughout its articles.

The editorial staff of *Le Peuple* believes it has earned sufficient credit with the socialist democracy to be confident that, by toning down the colorfulness and vivacity of its language, it will not give rise to the belief that it is succumbing to persecution or discouragement.

In the meantime, the reimbursement of shares subscribed to date will continue to be carried out; the future Society will operate without shareholders.

As for myself, pending the restoration of my liberty, and until I am permitted to peacefully resume the duties of director conferred upon me by the original charter, I hereby appoint myself traveling salesman for the Bank of the People ABROAD.

(No. 149 – April 17, 1849)

A FINAL WORD ON THE BANK OF THE PEOPLE

Seals have been affixed to the offices of the Bank of the People. It was as a consequence of this affixing of seals that reimbursements had to be carried out in the street. The cause of this measure, an act of suspicion directed against the Bank of the People, lay, beyond the calumnies and provocations of the moderate press, in the words of M. Mongis, the Advocate General. Acting in his capacity as public prosecutor before the Court of Assizes, he spoke against M. Duchêne, the manager of *Le Peuple*, who had failed to appear in court.

“Today,” M. Mongis exclaimed, “and in the absence of an adversary who flees from justice after having challenged it, let us be permitted to make just one observation. Not long ago, from this very spot, we declared: Communism is dead; socialism, which is but a variety of Communism, will not be long in dying. That prediction has already been more than fulfilled. The Bank of the People, *that snare laid for weak and credulous minds!* That Bank of the People, the last word of the man who styled himself the highest embodiment of socialism! That Bank of the People, at the very moment I have the honor of addressing you, is being liquidated. It is being publicly announced that a portion of the deposited funds will be returned, and that the remainder *may be returned*, albeit on deferred terms and contingent upon the future labor of the Bank’s former manager.”

In truth, my young friend and collaborator Duchêne was right to default on that day: how, indeed, could he have withstood such a thunderous apostrophe from M. Mongis!

Do you realize, M. Advocate General Mongis, that I, in my turn, were justice in France to shine upon everyone as the sun does, could well, by virtue of Articles 505 of the Code of Civil Procedure, and 271, 481, and 485 of the Code of Criminal Instruction, make you yourself a party to these proceedings and bring an action against you for abuse of power and defamation?

In truth, the liquidation of the Bank of the People – if indeed there is a *liquidation* at all! – has become a veritable cesspool of calumny. How they have pounced upon this bone, the journalists, prosecutors, and representatives of the *honest* Republic! What jubilation filled those oh-so-pure hearts at this astonishing news! Since the Bank’s director is no longer at liberty, and the resources upon which he had counted are being stripped away from him day by day by the tax authorities, the Bank of the People project remains postponed, and the shares are to be reimbursed.

Oh! My lords, I knew you to be malicious; but, upon my honor, I never imagined you could be quite so stupid!

What! M. Advocate General, in a press trial concerning a matter entirely unrelated to the Bank of the People, despite the absence of the accused and in defiance of the law, which expressly forbids you from presenting to the Court *any accusation other than that*

which constitutes the specific subject of the prosecution, *under penalty of nullification and personal liability* — you dare to launch into a diatribe? Against whom? Against the absent defendant? — No! Against a man who is not even a party to the case; who, even if not entirely unconnected to the newspaper under prosecution, is at the very least a complete stranger to the specific accusation at hand! And on what grounds do you do this? On the grounds of ideas expressed in the incriminated article? — No, once more: rather, with regard to a commercial enterprise, one forced into postponement solely by the persecutions of your own colleagues! And the Court remains silent! The Court allows you to speak!

So there you have them, these *respectable* magistrates whom our *honest* representatives, no doubt in an effort to perpetuate a Gothic system of justice, seek to render irremovable! There they stand, these men whom truth ought to clothe like a garment, yet who arrive in the courtroom with their robes brimming with every base passion, with the vilest of political agendas!

But, M. Advocate General, if you truly believe, as you claim and imply, that the Bank of the People is merely *a snare for the credulity of weak minds*, and that its former manager is a swindler, why do you not prosecute? Are you at a loss for a specific article of law? I shall provide it for you.

ART. 405 of the Penal Code: — “Whosoever, whether by assuming false names or false titles, *or by employing fraudulent maneuvers to induce belief in the existence of false enterprises*, of an imaginary power or credit, or *in order to instill hope or fear regarding a success*, an accident, or any other *chimerical* event, shall have procured the delivery or remittance of *funds*, movable property, *bonds*, drafts, *promissory notes*, receipts or releases; and who shall have, by any of these means, DEFRAUDED OR ATTEMPTED TO DEFRAUD another person of the whole or any part of their assets, shall be punished by imprisonment for a term of not less than one year nor more than five years, and by a fine ranging from 50 francs to 3,000 francs.”

What more could you ask for! Come now — go ahead and have the Bank of the People’s coffers seized once again; you would feel much safer, with the money once safely in your hands, from the threat of *fraud*.

But no, you will not come; you know all too well by now how utterly this inquiry would redound to your disgrace. You will not provide the Bank of the People with the opportunity to judicially expose, before all of France, the means it intended to employ to rid society of your estimable henchmen: the bankers and usurers. The arrow has been loosed; the slander has struck home. The provinces scarcely read *Le Peuple*, and *Le Constitutionnel* never retracts its judgments. It is far better, for a man of the judiciary and of the moderate Republic, to leave the matter *in statu quo*!

Let me, therefore, in the absence of a hearing before the correctional courts, summarize the facts here and appeal to the conscience of all honest people.

For several years, I had entertained the possibility of founding a bank dedicated to free credit and circulation.

Since such an undertaking might appear, to quote Article 405 of the Penal Code, *imaginary*, and its success *chimerical*, I had planned to personally cover all the general costs associated with the bank's establishment and operation. I intended to solicit shareholders solely for the sake of legal compliance and to lend credibility to the initial issuance of banknotes.

What I had conceived, I executed, and with complete success, until the day when, due to political circumstances and instances of *force majeure* beyond my control and extraneous to the enterprise itself, I saw the subsidy I had earmarked for the Bank on the verge of collapse, and the subscribed capital, should I persist in that situation, placed in jeopardy.

It was then that I announced my withdrawal and, consequently, the redemption of the shares — or, as I somewhat inaccurately termed it, the liquidation of the Society.

In making this announcement to men whom I knew to be, for the most part, my friends — men whose severity I did not fear, and who had freely joined forces with me not only in the creation of the Bank of the People but also in the founding of *Le Peuple*, the Bank's very organ and support, I expressed a desire not to be pressed for the repayment of a sum of 8,000 francs, given that such repayment might, though I was unaware of it at the time, jeopardize the newspaper's financial guarantee. I had intended to provide this explanation confidentially to the principal shareholders; however, the outcry from the press has compelled me to make it public. Fortunately, the success of *Le Peuple*, the guarantor of the Bank's own success, has exceeded my expectations: the redemption of shares will be complete and immediate, without compromising the existence of *Le Peuple*, which will be able, somewhat later, to resume its work of economic emancipation.

Such is the simple truth of the matter. This is what some have termed the collapse of the Bank of the People, what others have denounced as an act of socialist treachery — so great is the frenzy to find fault! — but what I, for my part, regard as an act of preservation and perseverance. Indeed! Would to Heaven that the affairs of our unfortunate country were always managed as soundly as my own!...

Let the monarchy come now — whether from Russia, England or Rome — whenever it pleases! *Le Peuple*, unless its hand is severed, its eyes gouged out, or its tongue torn from its roots — *Le Peuple* shall live on. It shall remain embedded in the flank of reaction, like the Arab's arrow in the flank of the gazelle. And alongside *Le Peuple* shall remain the principle of free credit, signifying, in the not-too-distant future, the re-establishment of the Bank of the People. Now, as we have already been able to glimpse, the Bank of the People, by the mere fact of its influence, constitutes the organization of democracy, the social revolution.

Perhaps, when they see the idea of free credit sweeping across Europe and encircling France with a socialist cordon, the eternal enemies of all reform will bow to necessity and resign themselves to undergoing their conversion. May it never be too late for their salvation, nor for the patience of the proletariat!

As for those men who, impatient with my direction and eager to give free rein to ideas of which I shall never consent to become the instrument, those infallible censors of a theory which their position relative to me commanded them either to serve in good faith or to abandon; men who were, for the most part, paid, very meagerly, I admit, from the funds of *Le Peuple*, even while they imagined themselves to be drawing upon the Bank's capital, of which they perhaps believed themselves to be the guardians; as for these men, I say, who, at the critical juncture, proved weak, and who hastened, the very day after my withdrawal, without explanation and upon the most futile pretext, to raise against me the banner of a posthumous opposition: I grant them full leave to say and to spread the word that I am the greatest enemy of socialism; that I love neither liberty, nor equality, and still less fraternity. Since it pleases them to do so, I am content to see them free and at work.

I am told that they propose to organize, as a replacement for the Bank of the People, a *mutuality* among workers' associations. So be it! It is already a consolation to me to see them — they who once sacrificed their own ideas to me — now borrowing my very label. Let them persist in this path — MUTUALITY — and the principle of free credit, to which they struggle so hard to rally, should they ever manage to grasp it, will prove their salvation. Let them only remember — and this is the counsel the former director of the Bank of the People takes the liberty of offering them — that in matters of political, social or industrial innovation, the inventor is held strictly accountable, under penalty of seduction, undue influence, false promise, fraudulent maneuvering or, indeed, *fraud* finally — this being the term employed by the Penal Code! — to provide everything of his own; to look for resources for the realization of his idea solely to himself and to the actual proceeds of his undertaking. In matters of reform, just as with an invention patent, success, always uncertain, cannot be counted upon in advance...

Working translations by Shawn P. Wilbur; last revised April 29, 2026.