



*The*  
*Bastiat*

COLLECTION 1

# THE BASTIAT COLLECTION

2 VOLUMES



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FRÉDÉRIC BASTIAT



Ludwig  
von Mises  
Institute

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AUBURN, ALABAMA

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## INTRODUCTION

And now I would appeal with confidence to men of all schools, who prefer truth, justice, and the public good to their own systems. Economists! Like you, I am the advocate of LIBERTY; and if I succeed in shaking some of these premises which sadden your generous hearts, perhaps you will see in this an additional incentive to love and to serve our sacred cause.

Bastiat, "To the Youth of France,"  
*Economic Harmonies*, p. 14

Claude Frédéric Bastiat was born in Bayonne, France on June 29th, 1801. He was orphaned at age 9 and raised by relatives. He worked in his uncle's accounting firm and then became a farmer when he inherited his grandfather's farm. After the middle-class Revolution of 1830, Bastiat became politically active and was elected Justice of the Peace in 1831 and to the Council General (county-level assembly) in 1832. He was elected to the national legislative assembly after the French Revolution of 1848. Bastiat was inspired by and routinely corresponded with Richard Cobden and the English Anti-Corn Law League and worked with free-trade associations in France. Bastiat wrote sporadically starting in the 1830s, but in 1844 he launched

his amazing publishing career when an article on the effects of protectionism on the French and English people was published in the *Journal des Economistes* which was held to critical acclaim.<sup>1</sup> The bulk of his remarkable writing career that so inspired the early generation of English translators—and so many more—is contained in this collection.

If we were to take the greatest economists from all ages and judge them on the basis of their theoretical rigor, their influence on economic education, and their impact in support of the free-market economy, then Frédéric Bastiat would be at the top of the list. As Murray N. Rothbard noted:

Bastiat was indeed a lucid and superb writer, whose brilliant and witty essays and fables to this day are remarkable and devastating demolitions of protectionism and of all forms of government subsidy and control. He was a truly scintillating advocate of an untrammelled free market.<sup>2</sup>

This book brings together his greatest works and represents the early generation of English translations. These translators were like Bastiat himself, people from the private sector who had a love of knowledge and truth and who altered their careers to vigorously pursue intellectual ventures, scholarly publishing, and advocacy of free trade.

This collection represents some of the best economics ever written. He was the first, and one of the very few, to be able to convincingly communicate the basic propositions of economics. The vast majority of people who have learned anything about economics have relied on Bastiat or publications that were influenced

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<sup>1</sup>For biographical material on Bastiat see George Roche's *Frédéric Bastiat: A Man Alone* (New Rochelle, N.Y.: Arlington House, 1971) and Dean Russell's *Frédéric Bastiat: Ideas and Influences* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1969).

<sup>2</sup>Murray N. Rothbard, *Classical Economics: An Austrian Perspective on the History of Economic Thought*, vol. II (1995; Auburn, Ala.: Ludwig von Mises Institute, 2006), p. 444.

by his work. This collection—possibly more than anything ever written about economics—is the antidote for economic illiteracy regarding such things as the inadvisability of tariffs and price controls, and everyone from the novice to the Ph.D. economist will benefit from reading it.

The collection consists of three sections, the first of which contains his best-known essays. In “That Which is Seen, and That Which is Not Seen,” Bastiat equips the reader to become an economist in the first paragraph and then presents the story of the broken window where a hoodlum is thought to create jobs and prosperity by breaking windows. Bastiat solves the quandary of prosperity via destruction by noting that while the apparent prosperity is seen, what is unseen is that which would have been produced had the windows not been broken. According to Rothbard:

In this way, the “economist,” Bastiat’s third-level observer, vindicates common sense and refutes the apologia for destruction of the pseudo-sophisticate. He considers what is not seen as well as what is seen. Bastiat, the economist, is the truly sophisticated analyst.<sup>3</sup>

Professor Jörg Guido Hülsmann credits Bastiat for discovering this counterfactual method, which allowed Bastiat to show that destruction (and a variety of government policies) is actually the path to poverty, not prosperity. This lesson is then applied to a variety of more complex cases and readers will never be able to deny that scarcity exists and will always—hopefully—remember that every policy has an opportunity cost. If nothing else, they will not believe—as is often claimed—that earthquakes, hurricanes, and wars lead to prosperity. The remaining essays cover the important institutions of society—law, government, money, and capital—where Bastiat explains the nature of these institutions and

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<sup>3</sup>Ibid., p. 445.

disabuses the reader of all the common misconceptions regarding them.

The second section is Bastiat's *Economic Sophisms*, a collection of 35 articles on the errors of protectionism broadly conceived. Here Bastiat shows his mastery of the methods of argumentation—using basic logic and taking arguments to their logical extreme—to demonstrate and ridicule them as obvious fallacies. In his “Negative Railroad” Bastiat argues that if an artificial break in a railroad causes prosperity by creating jobs for boatmen, porters, and hotel owners, then there should be not one break, but many, and indeed the railroad should be just a series of breaks—a negative railroad. In his article “An Immense Discovery!” he asks, would it not be easier and faster simply to lower the tariff between points A and B rather than building a new railroad to transport products at a lower cost? His “Petition of the Candlemakers” argues in jest that a law should be passed to require that all doors and windows be closed and covered during the day to prevent the sun from unfairly competing with the makers of candles and that if such a law were passed it would create high-paying jobs in candle and candlestick making, oil lamps, whale oil, etc. and that practically everyone would profit as a result.

The third section is Bastiat's *Economic Harmonies* which was hastily written before his death in 1850 and is considered incomplete. Here he demonstrates that the interests of everyone in society are in harmony to the extent that property rights are respected. Because there are no inherent conflicts in the market, government intervention is unnecessary. The borrower wants lenders to thrive so that loans will be available and the lender wants borrowers to thrive in order to collect interest on savings and to be paid back the loan principal. This book is the basis of charges that critics have levied against Bastiat, claiming that he made theoretical errors and failed to extend the corpus of theory. I have shown elsewhere that these criticisms must represent a misreading of Bastiat, and Rothbard showed that Bastiat made the vital contribution of returning economics to a focus on wants,

exchange, and consumption correcting the errors of British political economy.<sup>4</sup>

In a more recent and very important reappraisal of Bastiat, Professor Hülsmann has shown my suspicions to be correct.<sup>5</sup> He demonstrates that Bastiat's *Harmonies* is an important theoretical innovation that was widely dismissed by interventionists and attacked by equilibrium theorists. Interventionists dismissed it because the analysis proves that society can thrive without any government intervention in the economy. Equilibrium theorists saw Bastiat's conception of harmony as competition for their own concept of equilibrium—and rightly so—because while equilibrium is at best a useful fiction, harmony is an accurate conception of what actually exists in a free-market world. Therefore, the equilibrium approach can in some cases mimic or equal harmony, but it can also be applied to misleading ends and is inapplicable for others. Hülsmann also brilliantly shows how critics have misread and therefore misunderstood Bastiat's concept of value and service and that their criticisms are invalid. The Hülsmann reappraisal smashes the critics and their echoes and is therefore an important primer for this section. Also see the important article by Joseph T. Salerno who shows that the marginalization of Bastiat and the French school involved a long process of deliberate distortion by their doctrinal enemies among the Anglo-American economists.<sup>6</sup>

Patrick James Stirling translated Bastiat's *Economic Harmonies* (1860) and *Economic Sophisms* (1863) which are reproduced in this collection. Stirling was a student of Thomas Chalmers, an important Scottish economist of the first half of the

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<sup>4</sup>Mark Thornton, "Frédéric Bastiat was an Austrian Economist," *Journal des Economistes et des Etudes Humaines* 11, no. 2/3 (June/September 2001): 387–98.

<sup>5</sup>Jörg Guido Hülsmann, "Bastiat's Legacy in Economics," *Quarterly Journal of Austrian Economics* 4, no. 4 (Winter 2000) pp. 55–70.

<sup>6</sup>Joseph T. Salerno, "The Neglect of Bastiat's School by English-Speaking Economists: A Puzzle Resolved," *Journal des Économistes et des Etudes Humaines* 11, no. 2/3 (June/September 2001), pp. 451–95.



nineteenth century and leader of the Free Kirk schism from the Church of Scotland. Stirling was the author of *The Philosophy of Trade*, in which he provided a theory of prices and profits and examined the principles that determine the relative value of goods, labor, and money.<sup>7</sup> In *The Australian and Californian Gold Discoveries and their Probable Consequences* he examined the impact of the large nineteenth-century gold discoveries and the laws that determined the value and distribution of money and where he exhibited a proto-Austrian theory of the business cycle.<sup>8</sup> Stirling has recently resurfaced in the economics literature as the author of the oldest known undergraduate essay in economics.<sup>9</sup> We remain uncertain regarding the early translations of the essays in the first section of this volume (many translations of this period were unsigned), but what we do know seems to reinforce the Scottish connection to Bastiat. William Ballantyne Hodgson, who held a Chair in Political Economy at the University of Edinburgh, translated the essays from “Things Seen and Things Not Seen” for publication in newspapers and were later published as a booklet<sup>10</sup> and *Economic Sophisms* was first translated by Mrs. Louisa McCord (a Scottish surname) from Charleston, South Carolina.<sup>11</sup>

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<sup>7</sup>Patrick James Stirling, *The Philosophy of Trade* (Edinburgh: Oliver & Boyd, 1846); or outlines of a theory of profits and prices, including an examination of the principles which determine the relative value of corn, labor, and currency.

<sup>8</sup>*The Australian and Californian Gold Discoveries and Their Probable Consequences: An Inquiry Into The Laws which Determine the Value and Distribution of the Precious Metals with Historical Notices of the Effects of the American Mines on European Prices in the Sixteenth, Seventeenth and Eighteenth Centuries* (Oliver and Boyd, 1853).

<sup>9</sup>A.M.C. Waterman, “The Oldest Extant Undergraduate Essay in Economics?” *Journal of the History of Economic Thought* 27, no. 4 (December 2005): 359–73.

<sup>10</sup>William Ballantyne Hodgson, “Things Seen and Things Not Seen” (London: Cassel & Company Limited, 1910), abridged from the translation by Dr. Hodgson in 1852.

<sup>11</sup>Louisa S. McCord, *Sophisms of the Protective Policy* (New York: Wiley and Putnam, 1848). McCord wrote widely on economics and politics

The first section is based on the David Wells (also a Scottish surname) edition of the essays which contained the long out-of-print essay, “What is Money?”<sup>12</sup>

This collection of early translations is dedicated to improving economic literacy and eliminating the frustration of economic teachers everywhere. No one is better to do so, and in such a forceful and entertaining way, than Bastiat. Enjoy.

Mark Thornton  
May 2007

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anonymously because her contemporaries would consider it inappropriate for a woman to be writing on such controversial matters.

<sup>12</sup>David A. Wells, *Essays on Political Economy* (New York: G.P. Putnam’s Sons, 1877). Wells was a successful writer, publisher, and inventor. He opposed the income tax and supported free trade and the gold standard. He was appointed chairman of the national revenue commission after the Civil War and is said to have placed the U.S. on a scientific revenue system.



# I.

## THAT WHICH IS SEEN, AND THAT WHICH IS NOT SEEN<sup>1</sup>

**I**n the economy, an act, a habit, an institution, a law, gives birth not only to an effect, but to a series of effects. Of these effects, the first only is immediate; it manifests itself simultaneously with its cause—it is seen. The others unfold in succession—they are not seen: it is well for us if they are foreseen. Between a good and a bad economist this constitutes the whole difference—the one takes account of the visible effect; the other takes account both of the effects which are seen and also of those which it is necessary to foresee. Now this difference is enormous, for it almost always happens that when the immediate consequence is favorable, the ultimate consequences are fatal, and the converse. Hence it follows that the bad economist pursues a small present good, which will be followed by a great evil to come, while the true economist pursues a great good to come, at the risk of a small present evil.

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<sup>1</sup>First published in 1850.

In fact, it is the same in the science of health, arts, and in that of morals. It often happens, that the sweeter the first fruit of a habit is, the more bitter are the consequences. Take, for example, debauchery, idleness, prodigality. When, therefore, a man, absorbed in the effect which is seen, has not yet learned to discern those which are not seen, he gives way to fatal habits, not only by inclination, but by calculation.

This explains the fatally grievous condition of mankind. Ignorance surrounds its cradle: then its actions are determined by their first consequences, the only ones which, in its first stage, it can see. It is only in the long run that it learns to take account of the others. It has to learn this lesson from two very different masters—experience and foresight. Experience teaches effectually, but brutally. It makes us acquainted with all the effects of an action, by causing us to feel them; and we cannot fail to finish by knowing that fire burns, if we have burned ourselves. For this rough teacher, I should like, if possible, to substitute a more gentle one. I mean Foresight. For this purpose I shall examine the consequences of certain economical phenomena, by placing in opposition to each other those which are seen, and those which are not seen.

### 1. THE BROKEN WINDOW

Have you ever witnessed the anger of the good shopkeeper, John Q. Citizen, when his careless son happened to break a pane of glass? If you have been present at such a scene, you will most assuredly bear witness to the fact, that every one of the spectators, were there even 30 of them, by common consent apparently, offered the unfortunate owner this invariable consolation: “It is an ill wind that blows nobody good. Everybody must live, and what would become of the glaziers if panes of glass were never broken?”

Now, this form of condolence contains an entire theory, which it will be well to show up in this simple case, seeing that it is precisely the same as that which, unhappily, regulates the

greater part of our economical institutions. Suppose it cost six francs to repair the damage, and you say that the accident brings six francs to the glazier's trade—that it encourages that trade to the amount of six francs—I grant it; I have not a word to say against it; you reason justly. The glazier comes, performs his task, receives his six francs, rubs his hands, and, in his heart, blesses the careless child. All this is that which is seen.

But if, on the other hand, you come to the conclusion, as is too often the case, that it is a good thing to break windows, that it causes money to circulate, and that the encouragement of industry in general will be the result of it, you will oblige me to call out, "Stop there! Your theory is confined to that which is seen; it takes no account of that which is not seen."

It is not seen that as our shopkeeper has spent six francs upon one thing, he cannot spend them upon another. It is not seen that if he had not had a window to replace, he would, perhaps, have replaced his old shoes, or added another book to his library. In short, he would have employed his six francs in some way which this accident has prevented.

Let us take a view of industry in general, as affected by this circumstance. The window being broken, the glazier's trade is encouraged to the amount of six francs: this is that which is seen.

If the window had not been broken, the shoemaker's trade (or some other) would have been encouraged to the amount of six francs: this is that which is not seen.

And if that which is not seen is taken into consideration, because it is a negative fact, as well as that which is seen, because it is a positive fact, it will be understood that neither industry in general, nor the sum total of national labor, is affected, whether windows are broken or not.

Now let us consider John Q. Citizen himself. In the former supposition, that of the window being broken, he spends six francs, and has neither more nor less than he had before, the enjoyment of a window. In the second, where we suppose the window not to have been broken, he would have spent six francs in shoes, and would have had at the same time the enjoyment of

a pair of shoes and of a window. Now, as John Q. Citizen forms a part of society, we must come to the conclusion that, taking it all together, and making an estimate of its enjoyments and its labors, it has lost the value of the broken window.

Whence we arrive at this unexpected conclusion: "Society loses the value of things which are uselessly destroyed;" and we must assent to a maxim which will make the hair of protectionists stand on end—To break, to spoil, to waste, is not to encourage national labor; or, more briefly, "destruction is not profit."

What will you say, *Moniteur Industriel*? what will you say, disciples of good M.F. Chamans, who has calculated with so much precision how much trade would gain by the burning of Paris, from the number of houses it would be necessary to rebuild?

I am sorry to disturb these ingenious calculations, as far as their spirit has been introduced into our legislation; but I beg him to begin them again, by taking into the account that which is not seen, and placing it alongside of that which is seen.

The reader must take care to remember that there are not two persons only, but three concerned in the little scene which I have submitted to his attention. One of them, John Q. Citizen, represents the consumer, reduced, by an act of destruction, to one enjoyment instead of two. Another, under the title of the glazier, shows us the producer, whose trade is encouraged by the accident. The third is the shoemaker (or some other tradesman), whose labor suffers proportionally by the same cause. It is this third person who is always kept in the shade, and who, personifying that which is not seen, is a necessary element of the problem. It is he who shows us how absurd it is to think we see a profit in an act of destruction. It is he who will soon teach us that it is not less absurd to see a profit in a restriction, which is, after all, nothing else than a partial destruction. Therefore, if you will only go to the root of all the arguments which are adduced in its favor, all you will find will be the paraphrase of this naive question—What would become of the glaziers, if nobody ever broke windows?

## 2. THE DISBANDING OF TROOPS

It is the same with a people as it is with a man. If it wishes to give itself some gratification, it naturally considers whether it is worth what it costs. To a nation, security is the greatest of advantages. If, in order to obtain it, it is necessary to have an army of a hundred thousand men, I have nothing to say against it. It is an enjoyment bought by a sacrifice. Let me not be misunderstood upon the extent of my position. A member of the assembly proposes to disband a hundred thousand men, for the sake of relieving the tax-payers of a hundred million.

If we confine ourselves to this answer, "The hundred thousand men, and these hundred million of money, are indispensable to the national security: it is a sacrifice; but without this sacrifice, France would be torn by factions or invaded by some foreign power"—I have nothing to object to this argument, which may be true or false in fact, but which theoretically contains nothing which militates against economics. The error begins when the sacrifice itself is said to be an advantage because it profits somebody.

Now I am very much mistaken if, the moment the author of the proposal has taken his seat, some orator will not rise and say, "Disband a hundred thousand men! Do you know what you are saying? What will become of them? Where will they get a living? Don't you know that work is scarce everywhere? That every field is overstocked? Would you turn them out of doors to increase competition and to weigh upon the rate of wages? Just now, when it is a hard matter to live at all, it would be a pretty thing if the State must find bread for a hundred thousand individuals! Consider, besides, that the army consumes wine, arms, clothing—that it promotes the activity of manufactures in garrison towns—that it is, in short, the godsend of innumerable purveyors. Why, anyone must tremble at the bare idea of doing away with this immense industrial stimulus."

This discourse, it is evident, concludes by voting the maintenance of a hundred thousand soldiers, for reasons drawn from the



necessity of the service, and from economical considerations. It is these economical considerations only that I have to refute.

A hundred thousand men, costing the taxpayers a hundred million of money, live and bring to the purveyors as much as a hundred million can supply. This is that which is seen.

But, a hundred million taken from the pockets of the tax-payers, ceases to maintain these taxpayers and their purveyors, as far as a hundred million reaches. This is that which is not seen. Now make your calculations. Add it all up, and tell me what profit there is for the masses?

I will tell you where the loss lies; and to simplify it, instead of speaking of a hundred thousand men and a hundred million of money, it shall be of one man and a thousand francs.

We will suppose that we are in the village of A. The recruiting sergeants go their round, and take off a man. The tax-gatherers go their round, and take off a thousand francs. The man and the sum of money are taken to Metz, and the latter is destined to support the former for a year without doing anything. If you consider Metz only, you are quite right; the measure is a very advantageous one: but if you look toward the village of A, you will judge very differently; for, unless you are very blind indeed, you will see that that village has lost a worker, and the thousand francs which would remunerate his labor, as well as the activity which, by the expenditure of those thousand francs, it would spread around it.

At first sight, there would seem to be some compensation. What took place at the village, now takes place at Metz, that is all. But the loss is to be estimated in this way: At the village, a man dug and worked; he was a worker. At Metz, he turns to the right about and to the left about; he is a soldier. The money and the circulation are the same in both cases; but in the one there were three hundred days of productive labor, in the other there are three hundred days of unproductive labor, supposing, of course, that a part of the army is not indispensable to the public safety.

Now, suppose the disbanding to take place. You tell me there will be a surplus of a hundred thousand workers, that competition

will be stimulated, and it will reduce the rate of wages. This is what you see.

But what you do not see is this. You do not see that to dismiss a hundred thousand soldiers is not to do away with a hundred million of money, but to return it to the tax-payers. You do not see that to throw a hundred thousand workers on the market, is to throw into it, at the same moment, the hundred million of money needed to pay for their labor: that, consequently, the same act that increases the supply of hands, increases also the demand; from which it follows, that your fear of a reduction of wages is unfounded. You do not see that, before the disbanding as well as after it, there are in the country a hundred million of money corresponding with the hundred thousand men. That the whole difference consists in this: before the disbanding, the country gave the hundred million to the hundred thousand men for doing nothing; and that after it, it pays them the same sum for working. You do not see, in short, that when a taxpayer gives his money either to a soldier in exchange for nothing, or to a worker in exchange for something, all the ultimate consequences of the circulation of this money are the same in the two cases; only, in the second case the taxpayer receives something, in the former he receives nothing. The result is—a dead loss to the nation.

The sophism which I am here combating will not stand the test of progression, which is the touchstone of principles. If, when every compensation is made, and all interests satisfied, there is a national profit in increasing the army, why not enroll under its banners the entire male population of the country?

### 3. TAXES

Have you never chanced to hear it said: “There is no better investment than taxes. Only see what a number of families it maintains, and consider how it reacts upon industry: it is an inexhaustible stream, it is life itself.”

In order to combat this doctrine, I must refer to my preceding refutation. Political economy knew well enough that its arguments

were not so amusing that it could be said of them, repetitions please.

It has, therefore, turned the proverb to its own use, well convinced that, in its mouth, repetitions teach.

The advantages which officials advocate are those that are seen. The benefit that accrues to the dispensers is still that which is seen. This blinds all eyes.

But the disadvantages which the taxpayers have to bear are those that are not seen. And the injury that results from it to the providers is still that which is not seen, although this ought to be self-evident.

When an official spends for his own account an extra hundred sous, it implies that a taxpayer spends for his account a hundred sous less. But the expense of the official is seen, because the act is performed, while that of the taxpayer is not seen, because, alas! he is prevented from performing it.

You compare the nation, perhaps to a parched tract of land, and the tax to a fertilizing rain. So be it. But you ought also to ask yourself where are the sources of this rain, and whether it is not the tax itself which draws away the moisture from the ground and dries it up?

Again, you ought to ask yourself whether it is possible that the soil can receive as much of this precious water by rain as it loses by evaporation?

There is one thing very certain, that when John Q. Citizen counts out a hundred sous for the tax-gatherer, he receives nothing in return. Afterwards, when an official spends these hundred sous, and returns them to John Q. Citizen, it is in exchange for an equal value in corn or labor. The final result is a loss to John Q. Citizen of five francs.

It is very true that often, perhaps very often, the official performs for John Q. Citizen an equivalent service. In this case there is no loss on either side; there is merely an exchange. Therefore, my arguments do not at all apply to useful functionaries. All I say is—if you wish to create an office, prove its utility. Show that its value to John Q. Citizen, by the services which it performs for

him, is equal to what it costs him. But, apart from this intrinsic utility, do not bring forward as an argument the benefit that it confers upon the official, his family, and his providers; do not assert that it encourages labor.

When John Q. Citizen gives a hundred sous to a Government officer for a really useful service, it is exactly the same as when he gives a hundred sous to a shoemaker for a pair of shoes.

But when John Q. Citizen gives a hundred sous to a Government officer, and receives nothing for them unless it be annoyances, he might as well give them to a thief. It is nonsense to say that the Government officer will spend these hundred sous to the great profit of national labor; the thief would do the same; and so would John Q. Citizen, if he had not been stopped on the road by the extra-legal parasite, nor by the lawful sponger.

Let us accustom ourselves, then, to avoid judging of things by what is seen only, but to judge of them by that which is not seen. Last year I was on the Committee of Finance, for under the constituency the members of the Opposition were not systematically excluded from all the Commissions: in that the constituency acted wisely. We have heard Mr. Thiers say, "I have passed my life in opposing the legitimist party and the priest party. Since the common danger has brought us together, now that I associate with them and know them, and now that we speak face to face, I have found out that they are not the monsters I used to imagine them."

Yes, distrust is exaggerated, hatred is fostered among parties who never mix; and if the majority would allow the minority to be present at the Commissions, it would perhaps be discovered that the ideas of the different sides are not so far removed from each other; and, above all, that their intentions are not so perverse as is supposed. However, last year I was on the Committee of Finance. Every time that one of our colleagues spoke of fixing at a moderate figure the maintenance of the President of the Republic, that of the ministers, and of the ambassadors, it was answered:

"For the good of the service, it is necessary to surround certain offices with splendor and dignity, as a means of attracting

men of merit to them. A vast number of unfortunate persons apply to the President of the Republic, and it would be placing him in a very painful position to oblige him to be constantly refusing them. A certain style in the ministerial salons is a part of the machinery of constitutional Governments.”

Although such arguments may be controverted, they certainly deserve a serious examination. They are based upon the public interest, whether rightly estimated or not; and as far as I am concerned, I have much more respect for them than many of our Catos have, who are actuated by a narrow spirit of parsimony or of jealousy. But what revolts the economical part of my conscience, and makes me blush for the intellectual resources of my country, is when this absurd relic of feudalism is brought forward, which it constantly is, and it is favorably received too:

“Besides, the luxury of great Government officers encourages the arts, industry, and labor. The head of the State and his ministers cannot give banquets and soirées without causing life to circulate through all the veins of the social body. To reduce their means, would starve Parisian industry, and consequently that of the whole nation.”

I must beg you, gentlemen, to pay some little regard to arithmetic, at least; and not to say before the National Assembly in France, lest to its shame it should agree with you, that an addition gives a different sum, according to whether it is added up from the bottom to the top, or from the top to the bottom of the column.

For instance, I want to agree with a drainer to make a trench in my field for a hundred sous. Just as we have concluded our arrangement the tax-gatherer comes, takes my hundred sous, and sends them to the Minister of the Interior; my bargain is at end, but the minister will have another dish added to his table. Upon what ground will you dare to affirm that this official expense helps the national industry? Do you not see, that in this there is only a reversing of satisfaction and labor? A minister has his table better covered, it is true; but it is just as true that an agriculturist has his field worse drained. A Parisian tavern-keeper has gained a

hundred sous, I grant you; but then you must grant me that a drainer has been prevented from gaining a hundred sous. It all comes to this—that the official and the tavern-keeper being satisfied, is that which is seen; the field undrained, and the drainer deprived of his job, is that which is not seen. Dear me! how much trouble there is in proving that two and two make four; and if you succeed in proving it, it is said “the thing is so plain it is quite tiresome,” and they vote as if you had proved nothing at all.

#### 4. THEATERS AND FINE ARTS

Ought the State to support the arts?

There is certainly much to be said on both sides of this question. It may be said, in favor of the system of voting supplies for this purpose, that the arts enlarge, elevate, and harmonize the soul of a nation; that they divert it from too great an absorption in material occupations; encourage in it a love for the beautiful; and thus act favorably on its manners, customs, morals, and even on its industry. It may be asked, what would become of music in France without her Italian theater and her Conservatoire; of the dramatic art, without her Théâtre-Français; of painting and sculpture, without our collections, galleries, and museums? It might even be asked, whether, without centralization, and consequently the support of the fine arts, that exquisite taste would be developed which is the noble appendage of French labor, and which introduces its productions to the whole world. In the face of such results, would it not be the height of imprudence to renounce this moderate contribution from all her citizens, which, in fact, in the eyes of Europe, realizes their superiority and their glory?

To these and many other reasons, whose force I do not dispute, arguments no less forcible may be opposed. It might first of all be said, that there is a question of distributive justice in it. Does the right of the legislator extend to abridging the wages of the artisan, for the sake of adding to the profits of the artist? Mr. Lamartine said, “If you cease to support the theater, where will you stop? Will you not necessarily be led to withdraw your support

from your colleges, your museums, your institutes, and your libraries? It might be answered, if you desire to support everything which is good and useful, where will you stop? Will you not necessarily be led to form a civil list for agriculture, industry, commerce, benevolence, education? Then, is it certain that Government aid favors the progress of art? This question is far from being settled, and we see very well that the theatres which prosper are those which depend upon their own resources. Moreover, if we come to higher considerations, we may observe that wants and desires arise the one from the other, and originate in regions which are more and more refined in proportion as the public wealth allows of their being satisfied; that Government ought not to take part in this correspondence, because in a certain condition of present fortune it could not by taxation stimulate the arts of necessity without checking those of luxury, and thus interrupting the natural course of civilization. I may observe, that these artificial transpositions of wants, tastes, labor, and population, place the people in a precarious and dangerous position, without any solid basis.

These are some of the reasons alleged by the adversaries of State intervention in what concerns the order in which citizens think their wants and desires should be satisfied, and to which, consequently, their activity should be directed. I am, I confess, one of those who think that choice and impulse ought to come from below and not from above, from the citizen and not from the legislator; and the opposite doctrine appears to me to tend to the destruction of liberty and of human dignity.

But, by a deduction as false as it is unjust, do you know what economists are accused of? It is, that when we disapprove of government support, we are supposed to disapprove of the thing itself whose support is discussed; and to be the enemies of every kind of activity, because we desire to see those activities, on the one hand free, and on the other seeking their own reward in themselves. Thus, if we think that the State should not interfere by subsidies in religious affairs, we are atheists. If we think the State ought not to interfere by subsidies in education, we are hostile to

knowledge. If we say that the State ought not by subsidies to give a fictitious value to land, or to any particular branch of industry, we are enemies to property and labor. If we think that the State ought not to support artists, we are barbarians, who look upon the arts as useless.

Against such conclusions as these I protest with all my strength. Far from entertaining the absurd idea of doing away with religion, education, property, labor, and the arts, when we say that the State ought to protect the free development of all these kinds of human activity, without helping some of them at the expense of others—we think, on the contrary, that all these living powers of society would develop themselves more harmoniously under the influence of liberty; and that, under such an influence no one of them would, as is now the case, be a source of trouble, of abuses, of tyranny, and disorder.

Our adversaries consider that an activity which is neither aided by supplies, nor regulated by government, is an activity destroyed. We think just the contrary. Their faith is in the legislator, not in mankind; ours is in mankind, not in the legislator.

Thus Mr. Lamartine said, “ Upon this principle we must abolish the public exhibitions, which are the honor and the wealth of this country.” But I would say to Mr. Lamartine—According to your way of thinking, not to support is to abolish; because, setting out upon the maxim that nothing exists independently of the will of the State, you conclude that nothing lives but what the State causes to live. But I oppose to this assertion the very example which you have chosen, and beg you to note, that the grandest and noblest of exhibitions, one which has been conceived in the most liberal and universal spirit—and I might even make use of the term humanitarian, for it is no exaggeration—is the exhibition now preparing in London; the only one in which no government is taking any part, and which is being paid for by no tax.

To return to the fine arts. There are, I repeat, many strong reasons to be advanced, both for and against the system of government assistance: The reader must see that the object of this



work leads me neither to explain these reasons, nor to decide in their favor, nor against them.

But Mr. Lamartine has advanced one argument which I cannot pass by in silence, for it is closely connected with this economic study. "The economical question, as regards theatres, is comprised in one word—labor. It matters little what is the nature of this labor; it is as fertile, as productive a labor as any other kind of labor in the nation. The theatres in France, you know, feed and salary no less than 80,000 workmen of different kinds; painters, masons, decorators, costumers, architects, etc., which constitute the very life and movement of several parts of this capital, and on this account they ought to have your sympathies." Your sympathies! Say rather your money.

And further on he says: "The pleasures of Paris are the labor and the consumption of the provinces, and the luxuries of the rich are the wages and bread of 200,000 workmen of every description, who live by the manifold industry of the theatres on the surfeit of the republic, and who receive from these noble pleasures, which render France illustrious, the sustenance of their lives and the necessities of their families and children. It is to them that you will give 60,000 francs." (Very well; very well. Great applause.) For my part I am constrained to say, "Very bad! very bad!" confining this opinion, of course, within the bounds of the economical question which we are discussing.

Yes, it is to the workmen of the theatres that a part, at least, of these 60,000 francs will go; a few bribes, perhaps, may be abstracted on the way. Perhaps, if we were to look a little more closely into the matter, we might find that the cake had gone another way, and that those workmen were fortunate who had come in for a few crumbs. But I will allow, for the sake of argument, that the entire sum does go to the painters, decorators, etc.

This is that which is seen. But whence does it come? This is the other side of the question, and quite as important as the former. Where do these 60,000 francs spring from? and where would they go, if a vote of the legislature did not direct them first toward the Rue Rivoli and thence toward the Rue Grenelle? This

is what is not seen. Certainly, nobody will think of maintaining that the legislative vote has caused this sum to be hatched in a ballot urn; that it is a pure addition made to the national wealth; that but for this miraculous vote these 60,000 francs would have been forever invisible and impalpable. It must be admitted that all that the majority can do is to decide that they shall be taken from one place to be sent to another; and if they take one direction, it is only because they have been diverted from another.

This being the case, it is clear that the taxpayer, who has contributed one franc, will no longer have this franc at his own disposal. It is clear that he will be deprived of some gratification to the amount of one franc; and that the workman, whoever he may be, who would have received it from him, will be deprived of a benefit to that amount. Let us not, therefore, be led by a childish illusion into believing that the vote of the 60,000 francs may add anything whatever to the well-being of the country, and to national labor. It displaces enjoyments, it transposes wages—that is all.

Will it be said that for one kind of gratification, and one kind of labor, it substitutes more urgent, more moral, more reasonable gratifications and labor? I might dispute this; I might say, by taking 60,000 francs from the taxpayers, you diminish the wages of laborers, drainers, carpenters, blacksmiths, and increase in proportion those of the singers.

There is nothing to prove that this latter class calls for more sympathy than the former. Mr. Lamartine does not say that it is so. He himself says that the labor of the theatres is as fertile, as productive as any other (not more so); and this may be doubted; for the best proof that the latter is not so fertile as the former lies in this, that the other is to be called upon to assist it.

But this comparison between the value and the intrinsic merit of different kinds of labor forms no part of my present subject. All I have to do here is to show, that if Mr. Lamartine and those persons who commend his line of argument have seen on one side the salaries gained by the providers of the comedians, they ought on the other to have seen the salaries lost by the providers of the

taxpayers: for want of this, they have exposed themselves to ridicule by mistaking a displacement for a gain. If they were true to their doctrine, there would be no limits to their demands for government aid; for that which is true of one franc and of 60,000 is true, under parallel circumstances, of a hundred million francs.

When taxes are the subject of discussion, you ought to prove their utility by reasons from the root of the matter, but not by this unfortunate assertion: "The public expenses support the working classes." This assertion disguises the important fact, that public expenses always supersede private expenses, and that therefore we bring a livelihood to one workman instead of another, but add nothing to the share of the working class as a whole. Your arguments are fashionable enough, but they are too absurd to be justified by anything like reason.

## 5. PUBLIC WORKS

Nothing is more natural than that a nation, after having assured itself that an enterprise will benefit the community, should have it executed by means of a general assessment. But I lose patience, I confess, when I hear this economic blunder advanced in support of such a project: "Besides, it will be a means of creating labor for the workmen."

The State opens a road, builds a palace, straightens a street, cuts a canal, and so gives work to certain workmen—this is what is seen: but it deprives certain other workmen of work—and this is what is not seen.

The road is begun. A thousand workmen come every morning, leave every evening, and take their wages—this is certain. If the road had not been decreed, if the supplies had not been voted, these good people would have had neither work nor salary there; this also is certain.

But is this all? Does not the operation, as a whole, contain something else? At the moment when Mr. Dupin pronounces the emphatic words, "The Assembly has adopted," do the millions descend miraculously on a moonbeam into the coffers of Masters

Fould and Bineau? In order that the evolution may be complete, as it is said, must not the State organize the receipts as well as the expenditure? Must it not set its tax-gatherers and taxpayers to work, the former to gather and the latter to pay?

Study the question, now, in both its elements. While you state the destination given by the State to the millions voted, do not neglect to state also the destination which the taxpayer would have given, but cannot now give, to the same. Then you will understand that a public enterprise is a coin with two sides. Upon one is engraved a laborer at work, with this device, that which is seen; on the other is a laborer out of work, with the device, that which is not seen.

The sophism which this work is intended to refute is the more dangerous when applied to public works, inasmuch as it serves to justify the most wanton enterprises and extravagance. When a railroad or a bridge are of real utility, it is sufficient to mention this utility. But if it does not exist, what do they do? Recourse is had to this mystification: "We must find work for the workmen."

Accordingly, orders are given that the drains in the Champ-de-Mars be made and unmade. The great Napoleon, it is said, thought he was doing a very philanthropic work by causing ditches to be made and then filled up. He said, therefore, "What signifies the result? All we want is to see wealth spread among the laboring classes."

But let us go to the root of the matter. We are deceived by money. To demand the cooperation of all the citizens in a common work, in the form of money, is in reality to demand a concurrence in kind; for every one procures, by his own labor, the sum to which he is taxed. Now, if all the citizens were to be called together, and made to execute, in conjunction, a work useful to all, this would be easily understood; their reward would be found in the results of the work itself.

But after having called them together, if you force them to make roads which no one will pass through, palaces which no one will inhabit, and this under the pretext of finding them work, it would be absurd, and they would have a right to argue, "With this

labor we have nothing to do; we prefer working on our own account.”

A proceeding which consists in making the citizens cooperate in giving money but not labor, does not, in any way, alter the general results. The only thing is, that the loss would react upon all parties. By the former, those whom the State employs, escape their part of the loss, by adding it to that which their fellow-citizens have already suffered.

There is an article in our constitution which says: “Society favors and encourages the development of labor—by the establishment of public works, by the State, the departments, and the parishes, as a means of employing persons who are in want of work.”

As a temporary measure, on any emergency, during a hard winter, this interference with the taxpayers may have its use. It acts in the same way as insurance. It adds nothing either to labor or to wages, but it takes labor and wages from ordinary times to give them, at a loss it is true, to times of difficulty.

As a permanent, general, systematic measure, it is nothing else than a ruinous mystification, an impossibility, which shows a little excited labor which is seen, and hides a great deal of prevented labor, which is not seen.

## 6. THE INTERMEDIARIES

Society is the total of the forced or voluntary services that men perform for each other; that is to say, of public services and private services.

The former, imposed and regulated by the law, which it is not always easy to change, even when it is desirable, may survive with the law their own usefulness, and still preserve the name of public services, even when they are no longer services at all, but rather public annoyances. The latter belong to the sphere of the will, of individual responsibility. Everyone gives and receives what he wishes, and what he can, after due consideration. They

have always the presumption of real utility, in exact proportion to their comparative value.

This is the reason why the former description of services so often become stationary, while the latter obey the law of progress.

While the exaggerated development of public services, by the waste of strength that it involves, fastens upon society a fatal sycophancy, it is a singular thing that several modern movements, attributing this vice to free and private services, are endeavoring to transform professions into functions.

These sects violently oppose what they call intermediaries. They would gladly suppress the capitalist, the banker, the speculator, the promoter, the merchant, and the trader, accusing them of interposing between production and consumption, to extort from both, without giving either anything in return. Or rather, they would transfer to the State the work that they accomplish, for this work cannot be done without.

The sophism of the Socialists on this point is, showing to the public what it pays to the intermediaries in exchange for their services, and concealing from it what is necessary to be paid to the State. Here is the usual conflict between what is before our eyes and what is perceptible to the mind only; between what is seen and what is not seen.

It was at the time of the scarcity, in 1847, that the Socialist schools attempted and succeeded in popularizing their lethal theory. They knew very well that the most absurd notions have always a chance with people who are suffering; *malisunda famas*.

Therefore, by the help of the fine words, "trafficking in men by men, speculation on hunger, monopoly," they began to blacken commerce, and to cast a veil over its benefits.

"What can be the use," they say, "of leaving to the merchants the care of importing food from the United States and the Crimea? Why do not the State, the departments, and the towns, organize a service for provisions and a magazine for stores? They would sell at a just price, and the people, poor things, would be exempted from the tribute which they pay to free, that is, to greedy, selfish, and anarchical commerce."

The tribute paid by the people to commerce is that which is seen. The tribute which the people would pay to the State, or to its agents, in the Socialist system, is what is not seen.

In what does this pretended tribute, which the people pay to commerce, consist? In this: that two men render each other a mutual service, in all freedom, and under the pressure of competition and reduced prices.

When the hungry stomach is at Paris, and corn which can satisfy it is at Odessa, the suffering cannot cease till the corn is brought into contact with the stomach. There are three means by which this contact may be effected. First, the famished men may go themselves and fetch the corn. Second, they may leave this task to those to whose trade it belongs. Third, they may club together, and give the office in charge to public functionaries. Which of these three methods possesses the greatest advantages? In every time, in all countries, and the more free, enlightened, and experienced they are, men have voluntarily chosen the second. I confess that this is sufficient, in my opinion, to justify this choice. I cannot believe that mankind, as a whole, is deceiving itself upon a point which touches it so nearly. But let us now consider the subject.

For 36 million citizens to go and fetch the corn they want from Odessa is a manifest impossibility. The first means, then, goes for nothing. The consumers cannot act for themselves. They must, of necessity, have recourse to intermediaries, officials or agents.

But observe, that the first of these three means would be the most natural. In reality, the hungry man has to fetch his corn. It is a task which concerns himself, a service due to himself. If another person, on whatever ground, performs this service for him, takes the task upon himself, this latter has a claim upon him for a compensation. I mean by this to say that intermediaries contain in themselves the principle of remuneration.

However that may be, since we must refer to what the Socialists call a parasite, I would ask, which of the two is the most exacting parasite, the merchant or the official?

Commerce (free, of course, otherwise I could not reason upon it), commerce, I say, is led by its own interests to study the seasons, to give daily statements of the state of the crops, to receive information from every part of the globe, to foresee wants, to take precautions beforehand. It has vessels always ready, correspondents everywhere; and it is its immediate interest to buy at the lowest possible price, to economize in all the details of its operations, and to attain the greatest results by the smallest efforts. It is not the French merchants only who are occupied in procuring provisions for France in time of need, and if their interest leads them irresistibly to accomplish their task at the smallest possible cost, the competition which they create amongst each other leads them no less irresistibly to cause the consumers to partake of the profits of those realized savings. The corn arrives: it is to the interest of commerce to sell it as soon as possible, so as to avoid risks, to realize its funds, and begin again at the first opportunity.

Directed by the comparison of prices, it distributes food over the whole surface of the country, beginning always at the highest price, that is, where the demand is the greatest. It is impossible to imagine an organization more completely calculated to meet the interest of those who are in want; and the beauty of this organization, unperceived as it is by the Socialists, results from the very fact that it is free. It is true, the consumer is obliged to reimburse commerce for the expenses of conveyance, freight, store-room, commission, etc.; but can any system be devised in which he who eats corn is not obliged to defray the expenses, whatever they may be, of bringing it within his reach? The remuneration for the service performed has to be paid also; but as regards its amount, this is reduced to the smallest possible sum by competition; and as regards its justice, it would be very strange if the merchants of Paris would not work for the artisans of Marseilles, when the merchants of Marseilles work for the artisans of Paris.

If, according to the Socialist invention, the State were to stand in the stead of commerce, what would happen? I should like to be informed where the saving would be to the public. Would it be in



the price of purchase? Imagine the delegates of 40,000 parishes arriving at Odessa on a given day, and on the day of need: imagine the effect upon prices. Would the saving be in the expenses? Would fewer vessels be required; fewer sailors, fewer transports, fewer sloops? or would you be exempt from the payment of all these things? Would it be in the profits of the merchants? Would your officials go to Odessa for nothing? Would they travel and work on the principle of fraternity? Must they not live? Must not they be paid for their time? And do you believe that these expenses would not exceed a thousand times the two or three percent that the merchant gains, at the rate at which he is ready to treat?

And then consider the difficulty of levying so many taxes, and of dividing so much food. Think of the injustice, of the abuses inseparable from such an enterprise. Think of the responsibility that would weigh upon the Government.

The Socialists who have invented these follies, and who, in the days of distress, have introduced them into the minds of the masses, take to themselves literally the title of superior men; and it is not without some danger that custom, that tyrant of tongues, authorizes the term, and the sentiment that it involves. Superior! This supposes that these gentlemen can see further than the common people; that their only fault is that they are too ahead of their times; and if the time is not yet come for suppressing certain free services, pretended parasites, the fault is to be attributed to the public, which hasn't caught onto Socialism. I say, from my soul and my conscience, the reverse is the truth; and I know not to what barbarous age we should have to go back, if we were to sink to the level of Socialist knowledge on this subject. These modern zealots incessantly distinguish association from actual society. They overlook the fact that society, free of regulation, is a true association, far superior to any of those that proceed from their fertile imaginations.

Let me illustrate this by an example. Before a man, when he gets up in the morning, can put on a coat, ground must have been enclosed, broken up, drained, tilled, and sown with a particular

kind of plant; flocks must have been fed, and have given their wool; this wool must have been spun, woven, dyed, and converted into cloth; this cloth must have been cut, sewed, and made into a garment. And this series of operations implies a number of others; it supposes the employment of instruments for plowing, etc., sheepfolds, sheds, coal, machines, carriages, etc.

If society were not a perfectly real association, a person who wanted a coat would be reduced to the necessity of working in solitude; that is, of performing for himself the innumerable parts of this series, from the first stroke of the pickaxe to the last stitch which concludes the work. But, thanks to the sociability which is the distinguishing character of our race, these operations are distributed amongst a multitude of workers; and they are further subdivided, for the common good, to an extent that, as the consumption becomes more active, one single operation is able to support a new trade.

Then comes the division of the profits, which operates according to the constituent value which each has brought to the entire work. If this is not association, I should like to know what is.

Observe, that as no one of these workers has obtained the smallest particle of matter from nothingness, they are confined to performing for each other mutual services, and to helping each other in a common object, and that all may be considered, with respect to others, intermediaries. If, for instance, in the course of the operation, the conveyance becomes important enough to occupy one person, the spinning another, the weaving another, why should the first be considered a parasite more than the other two? The conveyance must be made, must it not? Does not he who performs it devote to it his time and trouble? and by so doing does he not spare that of his colleagues? Do these do more or other than this for him? Are they not equally dependent for remuneration, that is, for the division of the produce, upon the law of reduced price? Is it not in all liberty, for the common good, that this separation of work takes place, and that these arrangements are entered into? What do we want with a Socialist then, who, under pretense of organizing for us, comes despotically to break

up our voluntary arrangements, to check the division of labor, to substitute isolated efforts for combined ones, and to send civilization back? Is association, as I describe it here, in itself less association, because everyone enters and leaves it freely, chooses his place in it, judges and bargains for himself on his own responsibility, and brings with him the motivation and assurance of personal interest? That it may deserve this name, is it necessary that a pretended reformer should come and impose upon us his plan and his will, and, as it were, to concentrate mankind in himself?

The more we examine these advanced schools, the more do we become convinced that there is but one thing at the root of them: ignorance proclaiming itself infallible, and claiming despotism in the name of this infallibility.

I hope the reader will excuse this digression. It may not be altogether useless, at a time when declamations, springing from St. Simonian, Phalansterian, and Icarian books, are invoking the press and the tribune, and which seriously threaten the liberty of labor and commercial transactions.

## 7. PROTECTIONISM

Mr. Protectionist (it was not I who gave him this name, but Mr. Charles Dupin) devoted his time and capital to converting the ore found on his land into iron. As nature had been more lavish toward the Belgians, they furnished the French with iron cheaper than Mr. Protectionist; which means, that all the French, or France, could obtain a given quantity of iron with less labor by buying it of the honest Flemings. Therefore, guided by their own interest, they did not fail to do so; and every day there might be seen a multitude of nail-smiths, blacksmiths, cartwrights, machinists, farriers, and laborers, going themselves, or sending intermediaries, to supply themselves in Belgium. This displeased Mr. Protectionist exceedingly.

At first, it occurred to him to put an end to this abuse by his own efforts: it was the least he could do, for he was the only sufferer. "I will take my carbine," said he; "I will put four pistols

into my belt; I will fill my cartridge box; I will gird on my sword, and go thus equipped to the frontier. There, the first blacksmith, nail-smith, farrier, machinist, or locksmith, who presents himself to do his own business and not mine, I will kill, to teach him how to live." At the moment of starting, Mr. Protectionist made a few reflections which calmed down his warlike ardor a little. He said to himself, "In the first place, it is not absolutely impossible that the purchasers of iron, my countrymen and enemies, should take the thing ill, and, instead of letting me kill them, should kill me instead; and then, even were I to call out all my servants, we should not be able to defend the passages. In short, this proceeding would cost me very dear, much more so than the result would be worth."

Mr. Protectionist was on the point of resigning himself to his sad fate, that of being only as free as the rest of the world, when a ray of light darted across his brain. He recollected that at Paris there is a great factory of laws. "What is a law?" said he to himself. "It is a measure to which, when once it is decreed, be it good or bad, everybody is bound to conform. For the execution of the same a public force is organized, and to constitute the said public force, men and money are drawn from the whole nation. If, then, I could only get the great Parisian manufactory to pass a little law, 'Belgian iron is prohibited,' I should obtain the following results: The Government would replace the few valets that I was going to send to the frontier by 20,000 of the sons of those refractory blacksmiths, farriers, artisans, machinists, locksmiths, nail-smiths, and laborers. Then to keep these 20,000 custom-house officers in health and good humor, it would distribute among them 25,000,000 francs taken from these blacksmiths, nail-smiths, artisans, and laborers. They would guard the frontier much better; would cost me nothing; I should not be exposed to the brutality of the brokers; should sell the iron at my own price, and have the sweet satisfaction of seeing our great people shamefully mystified. That would teach them to proclaim themselves perpetually the harbingers and promoters of progress in Europe. Oh! it would be a capital joke, and deserves to be tried."

So Mr. Protectionist went to the law factory. Another time, perhaps, I shall relate the story of his underhanded dealings, but now I shall merely mention his visible proceedings. He brought the following consideration before the view of the legislating gentlemen.

“Belgian iron is sold in France at ten francs, which obliges me to sell mine at the same price. I should like to sell at fifteen, but cannot do so on account of this Belgian iron, which I wish was at the bottom of the Red Sea. I beg you will make a law that no more Belgian iron shall enter France. Immediately I raise my price five francs, and these are the consequences:

“For every hundred-weight of iron that I shall deliver to the public, I shall receive fifteen francs instead of ten; I shall grow rich more rapidly, extend my traffic, and employ more workmen. My workmen and I shall spend much more freely, to the great advantage of our tradesmen for miles around. These latter, having more custom, will furnish more employment to trade, and activity on both sides will increase in the country. This fortunate piece of money, which you will drop into my strong-box, will, like a stone thrown into a lake, give birth to an infinite number of concentric circles.”

Charmed with his discourse, delighted to learn that it is so easy to promote, by legislating, the prosperity of a people, the law-makers voted the restriction. “Talk of labor and economy,” they said, “what is the use of these painful means of increasing the national wealth, when all that is wanted for this object is a decree?”

And, in fact, the law produced all the consequences announced by Mr. Protectionist: the only thing was, it produced others which he had not foreseen. To do him justice, his reasoning was not false, but only incomplete. In endeavoring to obtain a privilege, he had taken cognizance of the effects which are seen, leaving in the background those which are not seen. He had pointed out two personages, whereas there are three concerned in the affair. It is for us to supply this involuntary or premeditated omission.

It is true, the crown-piece, thus directed by law into Mr. Protectionist's strong-box, is advantageous to him and to those whose labor it would encourage; and if the Act had caused the pot of gold to descend from the moon, these good effects would not have been counterbalanced by any corresponding evils. Unfortunately, the mysterious gold does not come from the moon, but from the pocket of a blacksmith, or a nail-smith, or a cartwright, or a farrier, or a laborer, or a shipwright; in a word, from John Q. Citizen, who gives it now without receiving a grain more of iron than when he was paying ten francs. Thus, we can see at a glance that this very much alters the state of the case; for it is very evident that Mr. Protectionist's profit is compensated by John Q. Citizen's loss, and all that Mr. Protectionist can do with the pot of gold, for the encouragement of national labor, John Q. Citizen might have done himself. The stone has only been thrown upon one part of the lake, because the law has prevented it from being thrown upon another.

Therefore, that which is not seen supersedes that which is seen, and at this point there remains, as the residue of the operation, a piece of injustice, and, sad to say, a piece of injustice perpetrated by the law!

This is not all. I have said that there is always a third person left in the background. I must now bring him forward, that he may reveal to us a second loss of five francs. Then we shall have the entire results of the transaction.

John Q. Citizen is the possessor of fifteen francs, the fruit of his labor. He is now free. What does he do with his fifteen francs? He purchases some article of fashion for ten francs, and with it he pays (or the intermediary pays for him) for the hundredweight of Belgian iron. After this he has five francs left. He does not throw them into the river, but (and this is what is not seen) he gives them to some tradesman in exchange for some enjoyment; to a bookseller, for instance, for Bossuet's "Discourse on Universal History."

Thus, as far as national labor is concerned, it is encouraged to the amount of fifteen francs, viz.: ten francs for the Paris article, five francs to the bookselling trade.

As to John Q. Citizen, he obtains for his fifteen francs two gratifications, viz.:

First, a hundred-weight of iron.

Second, a book.

The decree is put in force. How does it affect the condition of John Q. Citizen? How does it affect the national labor?

John Q. Citizen pays every centime of his five francs to Mr. Protectionist, and therefore is deprived of the pleasure of a book, or of some other thing of equal value. He loses five francs. This must be admitted; it cannot fail to be admitted, that when protectionism raises the price of things, the consumer loses the difference.

But, then, it is said, national labor is the gainer.

No, it is not the gainer; for since the Act, it is no more encouraged than it was before, to the amount of fifteen francs.

The only thing is that, since the Act, the fifteen francs of John Q. Citizen go to the metal trade, while before it was put in force, they were divided between the ironmonger and the bookseller.

The violence used by Mr. Protectionist on the frontier, or that which he causes to be used by the law, may be judged very differently in a moral point of view. Some persons consider that plunder is perfectly justifiable, if only sanctioned by law. But, for myself, I cannot imagine anything more aggravating. However it may be, the economical results are the same in both cases.

Look at the thing as you will; but if you are impartial, you will see that no good can come of legal or illegal plunder. We do not deny that it affords Mr. Protectionist, or his trade, or, if you will, national industry, a profit of five francs. But we affirm that it causes two losses, one to John Q. Citizen, who pays fifteen francs where he otherwise would have paid ten; the other to national industry, which does not receive the difference. Take your choice of these two losses, and compensate with it the profit which we allow. The other will prove a dead loss either way. Here is the

moral: To take by violence is not to produce, but to destroy. Truly, if taking by violence was producing, this country of ours would be a little richer than she is.

## 8. MACHINERY

“A curse on machines! Every year, their increasing power relegates millions of workmen to pauperism, by depriving them of work, and therefore of wages and bread. A curse on machines!”

This is the cry which is raised by vulgar prejudice, and echoed in the journals.

But to curse machines is to curse the spirit of humanity!

It puzzles me to conceive how any man can feel any satisfaction in such a doctrine.

For, if true, what is its inevitable consequence? That there is no activity, prosperity, wealth, or happiness possible for any people, except for those who are stupid and inert, and to whom God has not granted the fatal gift of knowing how to think, to observe, to combine, to invent, and to obtain the greatest results with the smallest means. On the contrary, rags, mean huts, poverty, and inanition, are the inevitable lot of every nation which seeks and finds in iron, fire, wind, electricity, magnetism, the laws of chemistry and mechanics, in a word, in the powers of nature, an assistance to its natural powers. We might as well say with Rousseau—“Every man that thinks is a deprived animal.”

This is not all. If this doctrine is true, all men think and invent, since all, from first to last, and at every moment of their existence, seek the cooperation of the powers of nature, and try to make the most of a little, by reducing either the work of their hands or their expenses, so as to obtain the greatest possible amount of gratification with the smallest possible amount of labor. It must follow, as a matter of course, that the whole of mankind is rushing toward its decline, by the same mental aspiration toward progress, which torments each of its members.

Hence, it ought to be revealed by statistics, that the inhabitants of Lancashire, abandoning that land of machines, seek for



work in Ireland, where they are unknown; and, by history, that barbarism darkens the epochs of civilization, and that civilization shines in times of ignorance and barbarism.

There is evidently in this mass of contradictions something which revolts us, and which leads us to suspect that the problem contains within it an element of solution which has not been sufficiently disengaged.

Here is the whole mystery: behind that which is seen lies something which is not seen. I will endeavor to bring it to light. The demonstration I shall give will only be a repetition of the preceding one, for the problems are one and the same.

Men have a natural propensity to make the best bargain they can, when not prevented by an opposing force; that is, they like to obtain as much as they possibly can for their labor, whether advantage is obtained from a foreign producer or a skillful mechanical producer.

The theoretical objection which is made to this propensity is the same in both cases. In each case it is reproached with the apparent inactivity which it causes to labor. Now, labor rendered available, not inactive, is the very thing that motivates it. And, therefore, in both cases, the same practical obstacle—force—is opposed to it also.

The legislator prohibits foreign competition, and forbids mechanical competition. For what other means can exist for arresting a propensity which is natural to all men, but that of depriving them of their liberty?

In many countries, it is true, the legislator strikes at only one of these competitions, and confines himself to grumbling at the other. This only proves one thing, that is, that the legislator is inconsistent.

We need not be surprised at this. On a wrong road, inconsistency is inevitable; if it were not so, mankind would be sacrificed. A false principle never has been, and never will be, carried out to the end.

Now for our demonstration, which shall not be a long one.

John Q. Citizen had two francs with which he paid two workmen; but it occurs to him that an arrangement of ropes and weights might be made which would diminish the labor by half. Therefore he obtains the same advantage, saves a franc, and discharges a workman.

He discharges a workman: this is that which is seen.

And seeing this only, it is said, "See how misery attends civilization; this is the way that liberty is fatal to equality. The human mind has made a conquest, and immediately a workman is cast into the gulf of pauperism. John Q. Citizen may possibly employ the two workmen, but then he will give them only half their wages, for they will compete with each other, and offer themselves at the lowest price. Thus the rich are always growing richer, and the poor, poorer. Society needs remodeling." A very fine conclusion, and worthy of the preamble.

Happily, preamble and conclusion are both false, because, behind the half of the phenomenon which is seen, lies the other half which is not seen.

The franc saved by John Q. Citizen is not seen, no more are the necessary effects of this saving.

Since, in consequence of his invention, John Q. Citizen spends only one franc on hand labor in the pursuit of a determined advantage, another franc remains to him.

If, then, there is in the world a workman with unemployed arms, there is also in the world a capitalist with an unemployed franc. These two elements meet and combine, and it is as clear as daylight, that between the supply and demand of labor, and between the supply and demand of wages, the relation is in no way changed.

The invention and the workman paid with the first franc now perform the work that was formerly accomplished by two workmen. The second workman, paid with the second franc, realizes a new kind of work.

What is the change, then, that has taken place? An additional national advantage has been gained; in other words, the invention is a gratuitous triumph—a gratuitous profit for mankind.

From the form that I have given to my demonstration, the following inference might be drawn: "It is the capitalist who reaps all the advantage from machinery. The working class, if it suffers only temporarily, never profits by it, since, by your own showing, they displace a portion of the national labor, without diminishing it, it is true, but also without increasing it."

I do not pretend, in this slight treatise, to answer every objection; the only end I have in view is to combat a vulgar, widely spread, and dangerous prejudice. I want to prove that a new machine only causes the discharge of a certain number of hands, when the remuneration that pays them is confiscated by force. These hands and this remuneration would combine to produce what it was impossible to produce before the invention; whence it follows that the final result is an increase of advantages for equal labor.

Who is the gainer by these additional advantages?

First, it is true, the capitalist, the inventor; the first who succeeds in using the machine; and this is the reward of his genius and courage. In this case, as we have just seen, he effects a saving upon the expense of production, which, in whatever way it may be spent (and it always is spent), employs exactly as many hands as the machine caused to be dismissed.

But soon competition obliges him to lower his prices in proportion to the saving itself; and then it is no longer the inventor who reaps the benefit of the invention—it is the purchaser of what is produced, the consumer, the public, including the workman; in a word, mankind.

And that which is not seen is, that the saving thus procured for all consumers creates a fund whence wages may be supplied, and which replaces that which the machine has exhausted.

Thus, to recur to the aforementioned example, John Q. Citizen obtains a profit by spending two francs in wages. Thanks to his invention, the hand labor costs him only one franc. So long as he sells the thing produced at the same price, he employs one workman less in producing this particular thing, and that is what

is seen; but there is an additional workman employed by the franc that John Q. Citizen has saved. This is that which is not seen.

When, by the natural progress of things, John Q. Citizen is obliged to lower the price of the thing produced by one franc, then he no longer realizes a saving; then he has no longer a franc to dispose of to procure for the national labor a new production. But then another gainer takes his place, and this gainer is mankind. Whoever buys the thing he has produced pays a franc less, and necessarily adds this saving to the fund of wages; and this, again, is what is not seen.

Another solution, founded upon facts, has been given of this problem of machinery.

It was said, machinery reduces the expense of production, and lowers the price of the thing produced. The reduction of the price causes an increase of consumption, which necessitates an increase of production; and, finally, the hiring of as many workmen, or more, after the invention as were necessary before it. As a proof of this, printing, weaving, etc., are instanced.

This demonstration is not a scientific one. It would lead us to conclude, that if the consumption of the particular production of which we are speaking remains stationary, or nearly so, machinery must injure labor. This is not the case.

Suppose that in a certain country all the people wore hats. If, by machinery, the price could be reduced half, it would not necessarily follow that the consumption would be doubled.

Would you say that in this case a portion of the national labor had been thrown out of work? Yes, according to the vulgar demonstration; but, according to mine, No; for even if not a single hat more should be bought in the country, the entire fund of wages would not be the less secure. That which failed to go to the hat-making trade would be found to have gone to the economy realized by all the consumers, and would thence serve to pay for all the labor that the machine had rendered useless, and to excite a new development of all the trades. And thus it is that things go on. I have known newspapers to cost 80 francs, now we pay 48: here is a saving of 32 francs to the subscribers. It is not certain, or

at least necessary, that the 32 francs should take the direction of the journalist trade; but it is certain, and necessary too, that if they do not take this direction they will take another. One makes use of them for taking in more newspapers; another, to get better living; another, better clothes; another, better furniture. It is thus that the trades are bound together. They form a vast whole, whose different parts communicate by secret channels: what is saved by one, profits all. It is very important for us to understand that savings never take place at the expense of labor and wages.

## 9. CREDIT

In all times, but more especially of late years, attempts have been made to extend wealth by the extension of credit.

I believe it is no exaggeration to say that since the revolution of February, the Parisian presses have issued more than 10,000 pamphlets, advocating this solution of the social problem.

The only basis, alas! of this solution, is an optical illusion—if, indeed, an optical illusion can be called a basis at all.

The first thing done is to confuse cash with products, then paper money with cash; and from these two confusions it is pretended that a reality can be drawn.

It is absolutely necessary in this question to forget money, coin, bills, and the other instruments by means of which products pass from hand to hand. Our business is with the products themselves, which are the real objects of the loan; for when a farmer borrows fifty francs to buy a plow, it is not, in reality, the fifty francs that are lent to him, but the plow; and when a merchant borrows 20,000 francs to purchase a house, it is not the 20,000 francs that he owes, but the house. Money only appears for the sake of facilitating the arrangements between the parties.

Peter may not be disposed to lend his plow, but James may be willing to lend his money. What does William do in this case? He borrows money of James, and with this money he buys the plow of Peter.

But, in point of fact, no one borrows money for the sake of the money itself; money is only the medium by which to obtain possession of products. Now, it is impossible in any country to transmit from one person to another more products than that country contains.

Whatever may be the amount of cash and of paper which is in circulation, the whole of the borrowers cannot receive more plows, houses, tools, and supplies of raw material, than the lenders all together can furnish; for we must take care not to forget that every borrower supposes a lender, and that what is once borrowed implies a loan.

This granted, what advantage is there in institutions of credit? It is, that they facilitate, between borrowers and lenders, the means of finding and treating with each other; but it is not in their power to cause an instantaneous increase of the things to be borrowed and lent. And yet they ought to be able to do so, if the aim of the reformers is to be attained, since they aspire to nothing less than to place plows, houses, tools, and provisions in the hands of all those who desire them.

And how do they intend to effect this?

By making the State security for the loan.

Let us try and fathom the subject, for it contains something which is seen, and also something which is not seen. We must endeavor to look at both.

We will suppose that there is but one plow in the world, and that two farmers apply for it.

Peter is the possessor of the only plow which is to be had in France; John and James wish to borrow it. John, by his honesty, his property, and good reputation, offers security. He inspires confidence; he has credit. James inspires little or no confidence. It naturally happens that Peter lends his plow to John.

But now, according to the Socialist plan, the State interferes, and says to Peter, "Lend your plow to James, I will be security for its return, and this security will be better than that of John, for he has no one to be responsible for him but himself; and I, although it is true that I have nothing, dispose of the fortune of

the taxpayers, and it is with their money that, in case of need, I shall pay you the principal and interest." Consequently, Peter lends his plow to James: this is what is seen.

And the Socialists rub their hands, and say, "See how well our plan has answered. Thanks to the intervention of the State, poor James has a plow. He will no longer be obliged to dig the ground; he is on the road to make a fortune. It is a good thing for him, and an advantage to the nation as a whole."

Indeed, it is no such thing; it is no advantage to the nation, for there is something behind which is not seen.

It is not seen, that the plow is in the hands of James, only because it is not in those of John.

It is not seen, that if James farms instead of digging, John will be reduced to the necessity of digging instead of farming.

That, consequently, what was considered an increase of loan, is nothing but a displacement of loan. Besides, it is not seen that this displacement implies two acts of deep injustice.

It is an injustice to John, who, after having deserved and obtained credit by his honesty and activity, sees himself robbed of it.

It is an injustice to the taxpayers, who are made to pay a debt which is no concern of theirs.

Will any one say, that Government offers the same facilities to John as it does to James? But as there is only one plow to be had, two cannot be lent. The argument always maintains that, thanks to the intervention of the State, more will be borrowed than there are things to be lent; for the plow represents here the bulk of available capital.

It is true, I have reduced the operation to the most simple expression of it, but if you submit the most complicated Government institutions of credit to the same test, you will be convinced that they can have but one result; viz., to displace credit, not to augment it. In one country, and in a given time, there is only a certain amount of capital available, and all is employed. In guaranteeing the non-payers, the State may, indeed, increase the number of borrowers, and thus raise the rate of interest (always to the

prejudice of the taxpayer), but it has no power to increase the number of lenders, and the importance of the total of the loans.

There is one conclusion, however, which I would not for the world be suspected of drawing. I say, that the law ought not to favor, artificially, the power of borrowing, but I do not say that it ought not to restrain them artificially. If, in our system of mortgage, or in any other, there be obstacles to the diffusion of the application of credit, let them be got rid of; nothing can be better or more just than this. But this is all that is consistent with liberty, and it is all that any who are worthy of the name of reformers will ask.

#### 10. ALGERIA

Here are four orators disputing for the platform. First, all the four speak at once; then they speak one after the other. What have they said? Some very fine things, certainly, about the power and the grandeur of France; about the necessity of sowing, if we would reap; about the brilliant future of our gigantic colony; about the advantage of diverting to a distance the surplus of our population, etc., etc. Magnificent pieces of eloquence, and always adorned with this conclusion: "Vote 50 million, more or less, for making ports and roads in Algeria; for sending emigrants there; for building houses and breaking up land. By so doing, you will relieve the French workman, encourage African labor, and give a stimulus to the commerce of Marseilles. It would be profitable every way."

Yes, it is all very true, if you take no account of the fifty million until the moment when the State begins to spend them; if you only see where they go, and not where they come from; if you look only at the good they are to do when they come out of the tax-gatherer's bag, and not at the harm which has been done, and the good that has been prevented, by putting them into it. Yes, at this limited point of view, all is profit. The house that is built in Barbary is that which is seen; the harbor made in Barbary is that which is seen; the work caused in Barbary is what is seen; a few



less hands in France is what is seen; a great stir with goods at Marseilles is still that which is seen.

But, besides all this, there is something that is not seen. The fifty million expended by the State cannot be spent, as they otherwise would have been, by the taxpayers. It is necessary to deduct, from all the good attributed to the public expenditure that has been effected, all the harm caused by the prevention of private expense, unless we say that John Q. Citizen would have done nothing with the money that he had gained, and of which the tax had deprived him; an absurd assertion, for if he took the trouble to earn it, it was because he expected the satisfaction of using it. He would have repaired the palings in his garden, which he cannot now do, and this is that which is not seen. He would have manured his field, which now he cannot do, and this is what is not seen. He would have added another story to his cottage, which he cannot do now, and this is what is not seen. He might have increased the number of his tools, which he cannot do now, and this is what is not seen. He would have been better fed, better clothed, have given a better education to his children, and increased his daughter's dowry, this is what is not seen. He would have become a member of the Mutual Assistance Society, but now he cannot; this is what is not seen. On one hand, are the enjoyments of which he has been deprived, and the means of action which have been destroyed in his hands; on the other, are the labor of the drainer, the carpenter, the smith, the tailor, the village schoolmaster, which he would have encouraged, and which are now prevented—all this is what is not seen.

Much is hoped from the future prosperity of Algeria; be it so. But the drain to which France is being subjected ought not to be kept entirely out of sight. The commerce of Marseilles is pointed out to me; but if this is to be brought about by means of taxation, I shall always show that an equal commerce is destroyed thereby in other parts of the country. It is said, "There is an emigrant transported into Barbary; this is a relief to the population which remains in the country," I answer, "How can that be, if, in transporting this emigrant to Algiers, you also transport two or three

times the capital which would have served to maintain him in France?"<sup>2</sup> The only object I have in view is to make it evident to the reader that in every public expense, behind the apparent benefit, there is an evil which it is not so easy to discern. As far as in me lies, I would make him form a habit of seeing both, and taking account of both.

When a public expense is proposed, it ought to be examined in itself, separately from the pretended encouragement of labor that results from it, for this encouragement is a delusion. Whatever is done in this way at the public expense, private expense would have done all the same; therefore, the interest of labor is always out of the question.

It is not the object of this treatise to criticize the intrinsic merit of the public expenditure as applied to Algeria, but I cannot withhold a general observation. It is that the presumption is always unfavorable to collective expenses by way of tax. Why? For this reason: First, justice always suffers from it in some degree. Since John Q. Citizen had labored to gain his money, in the hope of receiving a gratification from it, it is to be regretted that the exchequer should interpose, and take from John Q. Citizen this gratification, to bestow it upon another. Certainly, it behoves the exchequer, or those who regulate him, to give good reasons for this. It has been shown that the State gives a very provoking one, when it says, "With this money I shall employ workmen;" for John Q. Citizen (as soon as he sees it) will be sure to answer, "It is all very fine, but with this money I might employ them myself."

Apart from this reason, others present themselves without disguise, by which the debate between the exchequer and poor John becomes much simplified. If the State says to him, "I take

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<sup>2</sup>The Minister of War has lately asserted that every individual transported to Algeria has cost the State 8,000 francs. Now it is certain that these poor creatures could have lived very well in France on a capital of 4,000 francs. I ask, how the French population is relieved, when it is deprived of a man, and of the means of subsistence of two men?

your money to pay the gendarme, who saves you the trouble of providing for your own personal safety; for paving the street that you are passing through every day; for paying the magistrate who causes your property and your liberty to be respected; to maintain the soldier who maintains our frontiers,” John Q. Citizen, unless I am much mistaken, will pay for all this without hesitation. But if the State were to say to him, “I take this money that I may give you a little prize in case you cultivate your field well; or that I may teach your son something that you have no wish that he should learn; or that the Minister may add another to his score of dishes at dinner; I take it to build a cottage in Algeria, in which case I must take more money every year to keep an emigrant in it, and another to maintain a soldier to guard this emigrant, and yet more to maintain a general to guard this soldier,” etc., etc., I think I hear poor James exclaim, “This system of law is very much like a system of cheat!” The State foresees the objection, and what does it do? It jumbles all things together, and brings forward just that provoking reason which ought to have nothing whatever to do with the question. It talks of the effect of this money upon labor; it points to the cook and purveyor of the Minister; it shows an emigrant, a soldier, and a general, living upon the money; it shows, in fact, what is seen, and if John Q. Citizen has not learned to take into the account what is not seen, John Q. Citizen will be duped. And this is why I want to do all I can to impress it upon his mind, by repeating it over and over again.

As the public expenses displace labor without increasing it, a second serious presumption presents itself against them. To displace labor is to displace laborers, and to disturb the natural laws which regulate the distribution of the population over the country. If 50,000,000 francs are allowed to remain in the possession of the taxpayers since the taxpayers are everywhere, they encourage labor in the 40,000 parishes in France. They act like a natural tie, which keeps everyone upon his native soil; they distribute themselves amongst all imaginable laborers and trades. If the State, by drawing off these 50,000,000 francs from the citizens, accumulates them, and expends them on some given point, it

attracts to this point a proportional quantity of displaced labor, a corresponding number of laborers, belonging to other parts; a fluctuating population, which is out of its place, and I venture to say dangerous when the fund is exhausted. Now here is the consequence (and this confirms all I have said): this feverish activity is, as it were, forced into a narrow space; it attracts the attention of all; it is what is seen. The people applaud; they are astonished at the beauty and facility of the plan, and expect to have it continued and extended. That which they do not see is that an equal quantity of labor, which would probably be more valuable, has been obliterated over the rest of France.

#### 11. FRUGALITY AND LUXURY

It is not only in the public expenditure that what is seen eclipses what is not seen. Setting aside what relates to political economy, this phenomenon leads to false reasoning. It causes nations to consider their moral and their material interests as contradictory to each other. What can be more discouraging or more dismal?

For instance, there is not a father of a family who does not think it his duty to teach his children order, system, the habits of carefulness, of economy, and of moderation in spending money.

There is no religion which does not thunder against pomp and luxury. This is as it should be; but, on the other hand, how frequently do we hear the following remarks:

“To hoard is to drain the veins of the people.”

“The luxury of the great is the comfort of the little.”

“Prodigals ruin themselves, but they enrich the State.”

“It is the superfluity of the rich that makes bread for the poor.”

Here, certainly, is a striking contradiction between the moral and the social idea. How many eminent spirits, after having made the assertion, repose in peace. It is a thing I never could understand, for it seems to me that nothing can be more distressing than to discover two opposite tendencies in mankind. Why, it

comes to degradation at each of the extremes: economy brings it to misery; prodigality plunges it into moral degradation. Happily, these vulgar maxims exhibit economy and luxury in a false light, taking account, as they do, of those immediate consequences that are seen, and not of the remote ones, which are not seen. Let us see if we can rectify this incomplete view of the case.

Mondor and his brother Aristus, after dividing the parental inheritance, have each an income of 50,000 francs. Mondor practices the fashionable philanthropy. He is what is called a squanderer of money. He renews his furniture several times a year; changes his carriages every month. People talk of his ingenious contrivances to bring them sooner to an end: in short, he surpasses the extravagant lives of Balzac and Alexander Dumas.

Thus everybody is singing his praises. It is, "Tell us about Mondor! Mondor forever! He is the benefactor of the workman; a blessing to the people. It is true, he revels in dissipation; he splashes the pedestrians; his own dignity and that of human nature are lowered a little; but what of that? He does good with his fortune, if not with himself. He causes money to circulate; he always sends the tradespeople away satisfied. Is not money made round that it may roll?"

Aristus has adopted a very different plan of life. If he is not an egotist, he is, at any rate, an individualist, for he considers expense, seeks only moderate and reasonable enjoyments, thinks of his children's prospects, and, in fact, he economizes.

And what do people say of him? "What is the good of a rich fellow like him? He is a skinflint. There is something imposing, perhaps, in the simplicity of his life; and he is humane, too, and benevolent, and generous, but he calculates. He does not spend his income; his house is neither brilliant nor bustling. What good does he do to the paperhangers, the carriage makers, the horse dealers, and the confectioners?"

These opinions, which are fatal to morality, are founded upon what strikes the eye: the expenditure of the prodigal; and another, which is out of sight, the equal and even superior expenditure of the economizer.

But things have been so admirably arranged by the Divine inventor of social order that in this, as in everything else, political economy and morality, far from clashing, agree; and the wisdom of Aristus is not only more dignified, but still more profitable, than the folly of Mondor. And when I say profitable, I do not mean only profitable to Aristus, or even to society in general, but more profitable to the workmen themselves—to the trade of the time.

To prove it, it is only necessary to turn the mind's eye to those hidden consequences of human actions, which the bodily eye does not see.

Yes, the prodigality of Mondor has visible effects in every point of view. Everybody can see his landaus, his phaetons, his berlins, the delicate paintings on his ceilings, his rich carpets, the brilliant effects of his house. Everyone knows that his horses run at the race track. The dinners which he gives at the Hotel de Paris attract the attention of the crowds on the Boulevards; and it is said, "That is a generous man; far from saving his income, he is very likely breaking into his capital." That is what is seen.

It is not so easy to see, with regard to the interest of workers, what becomes of the income of Aristus. If we were to trace it carefully, however, we should see that the whole of it, down to the last farthing, affords work to the laborers, as certainly as the fortune of Mondor. Only there is this difference: the wanton extravagance of Mondor is doomed to be constantly decreasing, and to come to an end without fail; while the wise expenditure of Aristus will go on increasing from year to year. And if this is the case, then, most assuredly, the public interest will be in unison with morality.

Aristus spends upon himself and his household 20,000 francs a year. If that is not sufficient to content him, he does not deserve to be called a wise man. He is touched by the miseries which oppress the poorer classes; he thinks he is bound in conscience to afford them some relief, and therefore he devotes 10,000 francs to acts of benevolence. Amongst the merchants, the manufacturers, and the agriculturists, he has friends who are suffering under

temporary difficulties; he makes himself acquainted with their situation, that he may assist them with prudence and efficiency, and to this work he devotes 10,000 francs more. Then he does not forget that he has daughters to portion, and sons for whose prospects it is his duty to provide, and therefore he considers it a duty to lay by and put out to interest 10,000 francs every year.

The following is a list of his expenses:

1st, Personal expenses . . . . .	20,000 fr.
2nd, Benevolent objects . . . . .	10,000
3rd, Offices of friendship . . . . .	10,000
4th, Saving . . . . .	10,000

Let us examine each of these items, and we shall see that not a single farthing escapes the national labor.

1. Personal expenses: These, as far as workpeople and tradesmen are concerned, have precisely the same effect as an equal sum spent by Mondor. This is self-evident, therefore we shall say no more about it.

2. Benevolent objects: The 10,000 francs devoted to this purpose benefit trade in an equal degree; they reach the butcher, the baker, the tailor, and the carpenter. The only thing is, that the bread, the meat, and the clothing are not used by Aristus, but by those whom he has made his substitutes. Now, this simple substitution of one consumer for another in no way affects trade in general. It is all one, whether Aristus spends a crown or desires some unfortunate person to spend it instead.

3. Offices of friendship: The friend to whom Aristus lends or gives 10,000 francs does not receive them to bury them; that would be against the hypothesis. He uses them to pay for goods, or to discharge debts. In the first case, trade is encouraged. Will anyone pretend to say that it gains more by Mondor's purchase of a thoroughbred horse for 10,000 francs than by the purchase of 10,000 francs' worth of goods by Aristus or his friend? For if this sum serves to pay a debt, a third person appears, viz., the creditor, who will certainly employ them upon something in his trade, his household, or his farm. He forms another medium

between Aristus and the workmen. The names only are changed, the expense remains, and also the encouragement to trade.

4. Saving: There remains now the 10,000 francs saved; and it is here, as regards the encouragement to the arts, to trade, labor, and the workmen, that Mondor appears far superior to Aristus, although, in a moral point of view, Aristus shows himself, in some degree, superior to Mondor.

I can never look at these apparent contradictions between the great laws of nature without a feeling of physical uneasiness which amounts to suffering. Were mankind reduced to the necessity of choosing between two parties, one of whom injures his interest, and the other his conscience, we should have nothing to hope from the future. Happily, this is not the case; and to see Aristus regain his economical superiority, as well as his moral superiority, it is sufficient to understand this consoling maxim, which is no less true from having a paradoxical appearance, "To save is to spend."

What is Aristus's object in saving 10,000 francs? Is it to bury them in his garden? No, certainly; he intends to increase his capital and his income; consequently, this money, instead of being employed upon his own personal gratification, is used for buying land, a house, etc., or it is placed in the hands of a merchant or a banker. Follow the progress of this money in any one of these cases, and you will be convinced, that through the medium of vendors or lenders, it is encouraging labor quite as certainly as if Aristus, following the example of his brother, had exchanged it for furniture, jewels, and horses.

For when Aristus buys lands or mortgages for 10,000 francs, he is motivated by the consideration that he does not want to spend this money. This is why you complain of him.

But, at the same time, the man who sells the land or the mortgage, is motivated by the consideration that he does want to spend the 10,000 francs in some way; so that the money is spent in any case, either by Aristus or by others in his stead.

With respect to the working class, to the encouragement of labor, there is only one difference between the conduct of Aristus



and that of Mondor. Mondor spends the money himself, and around him, and therefore the effect is seen. Aristus, spending it partly through intermediate parties, and at a distance, the effect is not seen. But, in fact, those who know how to attribute effects to their proper causes, will perceive, that what is not seen is as certain as what is seen. This is proved by the fact that in both cases the money circulates, and does not lie in the iron chest of the wise man, any more than it does in that of the spendthrift. It is, therefore, false to say that economy does actual harm to trade; as described above, it is equally beneficial with luxury.

But how far superior is it, if, instead of confining our thoughts to the present moment, we let them embrace a longer period!

Ten years pass away. What is become of Mondor and his fortune and his great popularity? Mondor is ruined. Instead of spending 60,000 francs every year in the social body, he is, perhaps, a burden to it. In any case, he is no longer the delight of shopkeepers; he is no longer the patron of the arts and of trade; he is no longer of any use to the workmen, nor are his heirs, whom he has brought to want.

At the end of the same ten years Aristus not only continues to throw his income into circulation, but he adds an increasing sum from year to year to his expenses. He enlarges the national capital, that is, the fund that supplies wages, and as it is upon the extent of this fund that the demand for hands depends, he assists in progressively increasing the remuneration of the working class; and if he dies, he leaves children whom he has taught to succeed him in this work of progress and civilization. In a moral point of view, the superiority of frugality over luxury is indisputable. It is consoling to think that it is so in political economy to everyone who, not confining his views to the immediate effects of phenomena, knows how to extend his investigations to their final effects.

## 12. HE WHO HAS A RIGHT TO WORK HAS A RIGHT TO PROFIT

“Brethren, you must club together to find me work at your own price.” This is the right to work; i.e., elementary socialism of the first degree.

“Brethren, you must club together to find me work at my own price.” This is the right to profit; i.e., refined socialism, or socialism of the second degree.

Both of these live upon such of their effects as *are seen*. They will die by means of those effects *that are not seen*.

That *which is seen* is the labor and the profit excited by social combination. *That which is not seen* is the labor and the profit to which this same combination would give rise if it were left to the taxpayers.

In 1848, the right to labor for a moment showed two faces. This was sufficient to ruin it in public opinion.

One of these faces was called national workshops. The other, forty-five centimes. Millions of francs went daily from the Rue Rivoli to the national workshops. This was the fair side of the medal.

And this is the reverse. If millions are taken out of a cash-box, they must first have been put into it. This is why the organizers of the right to public labor apply to the taxpayers.

Now, the peasants said, “I must pay forty-five centimes; then I must deprive myself of clothing. I cannot manure my field; I cannot repair my house.”

And the country workmen said, “As our townsman deprives himself of some clothing, there will be less work for the tailor; as he does not improve his field, there will be less work for the drainer; as he does not repair his house, there will be less work for the carpenter and mason.”

It was then proved that two kinds of meal cannot come out of one sack, and that the work furnished by the Government was done at the expense of labor, paid for by the taxpayer. This was the death of the right to labor, which showed itself as much a chimera as an injustice. And yet, the right to profit, which is only an exaggeration of the right to labor, is still alive and flourishing.

Ought not the protectionist to blush at the part he would make society play?

He says to it, “You must give me work, and, more than that, lucrative work. I have foolishly fixed upon a trade by which I lose

ten percent. If you impose a tax of twenty francs upon my countrymen, and give it to me, I shall be a gainer instead of a loser. Now, profit is my right; you owe it to me.” Now, any society that would listen to this sophist, burden itself with taxes to satisfy him, and not perceive that the loss to which any trade is exposed is no less a loss when others are forced to make up for it—such a society, I say, would deserve the burden inflicted upon it.

Thus we learn by the numerous subjects that I have treated, that, to be ignorant of political economy is to allow ourselves to be dazzled by the immediate effect of a phenomenon; to be acquainted with it is to embrace in thought and in forethought the whole compass of effects.

I might subject a host of other questions to the same test; but I shrink from the monotony of a constantly uniform demonstration, and I conclude by applying to political economy what Chateaubriand says of history:

“There are,” he says,

two consequences in history; an immediate one, which is instantly recognized, and one in the distance, which is not at first perceived. These consequences often contradict each other; the former are the results of our own limited wisdom, the latter, those of that wisdom which endures. The providential event appears after the human event. God rises up behind men. Deny, if you will, the supreme counsel; disown its action; dispute about words; designate, by the term, force of circumstances, or reason, what the vulgar call Providence; but look to the end of an accomplished fact, and you will see that it has always produced the contrary of what was expected from it, if it was not established at first upon morality and justice.<sup>3</sup>

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<sup>3</sup>Chateaubriand’s *Posthumous Memoirs*.

## II.

### THE LAW<sup>1</sup>

**T**he law perverted! The law—and, in its wake, all the collective forces of the nation—the law, I say, not only diverted from its proper direction, but made to pursue one entirely contrary! The law become the tool of every kind of avarice, instead of being its check! The law guilty of that very iniquity which it was its mission to punish! Truly, this is a serious fact, if it exists, and one to which I feel bound to call the attention of my fellow citizens.

We hold from God the gift that, as far as we are concerned, contains all others, Life—physical, intellectual, and moral life.

But life cannot support itself. He who has bestowed it, has entrusted us with the care of supporting it, of developing it, and of perfecting it. To that end, He has provided us with a collection of wonderful faculties; He has plunged us into the midst of a variety of elements. It is by the application of our faculties to these elements that the phenomena of assimilation and of appropriation, by which life pursues the circle that has been assigned to it are realized.

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<sup>1</sup>First published in 1850.

Existence, faculties, assimilation—in other words, personality, liberty, property—this is man.

It is of these three things that it may be said, apart from all demagogic subtlety, that they are anterior and superior to all human legislation.

It is not because men have made laws, that personality, liberty, and property exist. On the contrary, it is because personality, liberty, and property exist beforehand, that men make laws. What, then, is law? As I have said elsewhere, it is the collective organization of the individual right to lawful defense.

Nature, or rather God, has bestowed upon every one of us the right to defend his person, his liberty, and his property, since these are the three constituent or preserving elements of life; elements, each of which is rendered complete by the others, and that cannot be understood without them. For what are our faculties, but the extension of our personality? and what is property, but an extension of our faculties?

If every man has the right of defending, even by force, his person, his liberty, and his property, a number of men have the right to combine together to extend, to organize a common force to provide regularly for this defense.

Collective right, then, has its principle, its reason for existing, its lawfulness, in individual right; and the common force cannot rationally have any other end, or any other mission, than that of the isolated forces for which it is substituted. Thus, as the force of an individual cannot lawfully touch the person, the liberty, or the property of another individual—for the same reason, the common force cannot lawfully be used to destroy the person, the liberty, or the property of individuals or of classes.

For this perversion of force would be, in one case as in the other, in contradiction to our premises. For who will dare to say that force has been given to us, not to defend our rights, but to annihilate the equal rights of our brethren? And if this be not true of every individual force, acting independently, how can it be true of the collective force, which is only the organized union of isolated forces?

Nothing, therefore, can be more evident than this: The law is the organization of the natural right of lawful defense; it is the substitution of collective for individual forces, for the purpose of acting in the sphere in which they have a right to act, of doing what they have a right to do, to secure persons, liberties, and properties, and to maintain each in its right, so as to cause justice to reign over all.

And if a people established upon this basis were to exist, it seems to me that order would prevail among them in their acts as well as in their ideas. It seems to me that such a people would have the most simple, the most economical, the least oppressive, the least to be felt, the most restrained, the most just, and, consequently, the most stable Government that could be imagined, whatever its political form might be.

For under such an administration, everyone would feel that he possessed all the fullness, as well as all the responsibility of his existence. So long as personal safety was ensured, so long as labor was free, and the fruits of labor secured against all unjust attacks, no one would have any difficulties to contend with in the State. When prosperous, we should not, it is true, have to thank the State for our success; but when unfortunate, we should no more think of taxing it with our disasters than our peasants think of attributing to it the arrival of hail or of frost. We should know it only by the inestimable blessing of Safety.

It may further be affirmed, that, thanks to the non-intervention of the State in private affairs, our wants and their satisfactions would develop themselves in their natural order. We should not see poor families seeking for literary instruction before they were supplied with bread. We should not see towns peopled at the expense of rural districts, nor rural districts at the expense of towns. We should not see those great displacements of capital, of labor, and of population, that legislative measures occasion; displacements that render so uncertain and precarious the very sources of existence, and thus enlarge to such an extent the responsibility of Governments.

Unhappily, law is by no means confined to its own sphere. Nor is it merely in some ambiguous and debatable views that it has left its proper sphere. It has done more than this. It has acted in direct opposition to its proper end; it has destroyed its own object; it has been employed in annihilating that justice which it ought to have established, in effacing amongst Rights, that limit which it was its true mission to respect; it has placed the collective force in the service of those who wish to traffic, without risk and without scruple, in the persons, the liberty, and the property of others; it has converted plunder into a right, that it may protect it, and lawful defense into a crime, that it may punish it.

How has this perversion of law been accomplished? And what has resulted from it?

The law has been perverted through the influence of two very different causes—naked greed and misconceived philanthropy.

Let us speak of the former. Self-preservation and development is the common aspiration of all men, in such a way that if every one enjoyed the free exercise of his faculties and the free disposition of their fruits, social progress would be incessant, uninterrupted, inevitable.

But there is also another disposition which is common to them. This is to live and to develop, when they can, at the expense of one another. This is no rash imputation, emanating from a gloomy, uncharitable spirit. History bears witness to the truth of it, by the incessant wars, the migrations of races, sectarian oppressions, the universality of slavery, the frauds in trade, and the monopolies with which its annals abound. This fatal disposition has its origin in the very constitution of man—in that primitive, and universal, and invincible sentiment that urges it toward its well-being, and makes it seek to escape pain.

Man can only derive life and enjoyment from a perpetual search and appropriation; that is, from a perpetual application of his faculties to objects, or from labor. This is the origin of property.

But also he may live and enjoy, by seizing and appropriating the productions of the faculties of his fellow men. This is the origin of plunder.

Now, labor being in itself a pain, and man being naturally inclined to avoid pain, it follows, and history proves it, that wherever plunder is less burdensome than labor, it prevails; and neither religion nor morality can, in this case, prevent it from prevailing.

When does plunder cease, then? When it becomes more burdensome and more dangerous than labor. It is very evident that the proper aim of law is to oppose the fatal tendency to plunder with the powerful obstacle of collective force; that all its measures should be in favor of property, and against plunder.

But the law is made, generally, by one man, or by one class of men. And as law cannot exist without the sanction and the support of a preponderant force, it must finally place this force in the hands of those who legislate.

This inevitable phenomenon, combined with the fatal tendency that, we have said, exists in the heart of man, explains the almost universal perversion of law. It is easy to conceive that, instead of being a check upon injustice, it becomes its most invincible instrument.

It is easy to conceive that, according to the power of the legislator, it destroys for its own profit, and in different degrees amongst the rest of the community, personal independence by slavery, liberty by oppression, and property by plunder.

It is in the nature of men to rise against the injustice of which they are the victims. When, therefore, plunder is organized by law, for the profit of those who perpetrate it, all the plundered classes tend, either by peaceful or revolutionary means, to enter in some way into the manufacturing of laws. These classes, according to the degree of enlightenment at which they have arrived, may propose to themselves two very different ends, when they thus attempt the attainment of their political rights; either they may wish to put an end to lawful plunder, or they may desire to take part in it.



Woe to the nation where this latter thought prevails amongst the masses, at the moment when they, in their turn, seize upon the legislative power!

Up to that time, lawful plunder has been exercised by the few upon the many, as is the case in countries where the right of legislating is confined to a few hands. But now it has become universal, and the equilibrium is sought in universal plunder. The injustice that society contains, instead of being rooted out of it, is generalized. As soon as the injured classes have recovered their political rights, their first thought is not to abolish plunder (this would suppose them to possess enlightenment, which they cannot have), but to organize against the other classes, and to their own detriment, a system of reprisals—as if it was necessary, before the reign of justice arrives, that all should undergo a cruel retribution—some for their iniquity and some for their ignorance.

It would be impossible, therefore, to introduce into society a greater change and a greater evil than this—the conversion of the law into an instrument of plunder.

What would be the consequences of such a perversion? It would require volumes to describe them all. We must content ourselves with pointing out the most striking.

In the first place, it would efface from everybody's conscience the distinction between justice and injustice. No society can exist unless the laws are respected to a certain degree, but the safest way to make them respected is to make them respectable. When law and morality are in contradiction to each other, the citizen finds himself in the cruel alternative of either losing his moral sense, or of losing his respect for the law—two evils of equal magnitude, between which it would be difficult to choose.

It is so much in the nature of law to support justice that in the minds of the masses they are one and the same. There is in all of us a strong disposition to regard what is lawful as legitimate, so much so that many falsely derive all justice from law. It is sufficient, then, for the law to order and sanction plunder, that it may appear to many consciences just and sacred. Slavery, protection, and monopoly find defenders, not only in those who profit by

them, but in those who suffer by them. If you suggest a doubt as to the morality of these institutions, it is said directly—"You are a dangerous experimenter, a utopian, a theorist, a despiser of the laws; you would shake the basis upon which society rests."

If you lecture upon morality, or political economy, official bodies will be found to make this request to the Government:

That henceforth science be taught not only with sole reference to free exchange (to liberty, property, and justice), as has been the case up to the present time, but also, and especially, with reference to the facts and legislation (contrary to liberty, property, and justice) that regulate French industry.

That, in public lecterns salaried by the treasury, the professor abstain rigorously from endangering in the slightest degree the respect due to the laws now in force.<sup>2</sup>

So that if a law exists that sanctions slavery or monopoly, oppression or plunder, in any form whatever, it must not even be mentioned—for how can it be mentioned without damaging the respect that it inspires? Still further, morality and political economy must be taught in connection with this law—that is, under the supposition that it must be just, only because it is law.

Another effect of this deplorable perversion of the law is that it gives to human passions and to political struggles, and, in general, to politics, properly so called, an exaggerated importance.

I could prove this assertion in a thousand ways. But I shall confine myself, by way of an illustration, to bringing it to bear upon a subject which has of late occupied everybody's mind: universal suffrage.

Whatever may be thought of it by the adepts of the school of Rousseau, which professes to be very far advanced, but which I consider 20 centuries behind, universal suffrage (taking the word

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<sup>2</sup>General Council of Manufactures, Agriculture, and Commerce, 6th of May, 1850.

in its strictest sense) is not one of those sacred dogmas with respect to which examination and doubt are crimes.

Serious objections may be made to it.

In the first place, the word universal conceals a gross sophism. There are, in France, 36,000,000 inhabitants. To make the right of suffrage universal, 36,000,000 electors should be reckoned. The most extended system reckons only 9,000,000. Three persons out of four, then, are excluded; and more than this, they are excluded by the fourth. Upon what principle is this exclusion founded? Upon the principle of incapacity. Universal suffrage, then, means: universal suffrage of those who are capable. In point of fact, who are the capable? Are age, sex, and judicial condemnations the only conditions to which incapacity is to be attached?

On taking a nearer view of the subject, we may soon perceive the reason why the right of suffrage depends upon the presumption of incapacity; the most extended system differing from the most restricted in the conditions on which this incapacity depends, and which constitutes not a difference in principle, but in degree.

This motive is, that the elector does not stipulate for himself, but for everybody.

If, as the republicans of the Greek and Roman tone pretend, the right of suffrage had fallen to the lot of every one at his birth, it would be an injustice to adults to prevent women and children from voting. Why are they prevented? Because they are presumed to be incapable. And why is incapacity a reason for exclusion? Because the elector does not reap alone the responsibility of his vote; because every vote engages and affects the community at large; because the community has a right to demand some assurances, as regards the acts upon which its well-being and its existence depend.

I know what might be said in answer to this. I know what might be objected. But this is not the place to settle a controversy of this kind. What I wish to observe is this, that this same controversy (in common with the greater part of political questions) that

agitates, excites, and unsettles the nations, would lose almost all its importance if the law had always been what it ought to be.

In fact, if law were confined to causing all persons, all liberties, and all properties to be respected—if it were merely the organization of individual right and individual defense—if it were the obstacle, the check, the chastisement opposed to all oppression, to all plunder—is it likely that we should dispute much, as citizens, on the subject of the greater or lesser universality of suffrage? Is it likely that it would compromise that greatest of advantages, the public peace? Is it likely that the excluded classes would not quietly wait for their turn? Is it likely that the enfranchised classes would be very jealous of their privilege? And is it not clear, that the interest of all being one and the same, some would act without much inconvenience to the others?

But if the fatal principle should come to be introduced, that, under pretense of organization, regulation, protection, or encouragement, the law may take from one party in order to give to another, help itself to the wealth acquired by all the classes that it may increase that of one class, whether that of the agriculturists, the manufacturers, the ship owners, or artists and comedians; then certainly, in this case, there is no class which may not try, and with reason, to place its hand upon the law, that would not demand with fury its right of election and eligibility, and that would overturn society rather than not obtain it. Even beggars and vagabonds will prove to you that they have an incontestable title to it. They will say:

We never buy wine, tobacco, or salt, without paying the tax, and a part of this tax is given by law in perquisites and gratuities to men who are richer than we are. Others make use of the law to create an artificial rise in the price of bread, meat, iron, or cloth.

Since everybody traffics in law for his own profit, we should like to do the same. We should like to make it produce the right to assistance, which is the poor man's plunder. To effect this, we ought to be electors and legislators, that we may organize, on a large scale, alms for our own class, as you have organized, on a large scale, protection for yours.

Don't tell us that you will take our cause upon yourselves, and throw to us 600,000 francs to keep us quiet, like giving us a bone to pick. We have other claims, and, at any rate, we wish to stipulate for ourselves, as other classes have stipulated for themselves!

How is this argument to be answered? Yes, as long as it is admitted that the law may be diverted from its true mission, that it may violate property instead of securing it, everybody will be wanting to manufacture law, either to defend himself against plunder, or to organize it for his own profit. The political question will always be prejudicial, predominant, and absorbing; in a word, there will be fighting around the door of the Legislative Palace. The struggle will be no less furious within it. To be convinced of this, it is hardly necessary to look at what passes in the Chambers in France and in England; it is enough to know how the question stands.

Is there any need to prove that this odious perversion of law is a perpetual source of hatred and discord, that it even tends to social disorganization? Look at the United States. There is no country in the world where the law is kept more within its proper domain—which is, to secure to everyone his liberty and his property. Therefore, there is no country in the world where social order appears to rest upon a more solid basis. Nevertheless, even in the United States, there are two questions, and only two, that from the beginning have endangered political order. And what are these two questions? That of slavery and that of tariffs; that is, precisely the only two questions in which, contrary to the general spirit of this republic, law has taken the character of a plunderer. Slavery is a violation, sanctioned by law, of the rights of the person. Protection is a violation perpetrated by the law upon the rights of property; and certainly it is very remarkable that, in the midst of so many other debates, this double legal scourge, the sorrowful inheritance of the Old World, should be the only one which can, and perhaps will, cause the rupture of the Union. Indeed, a more astounding fact, in the heart of society, cannot be conceived than this: That law should have become an instrument of injustice. And if this fact occasions consequences so formidable

to the United States, where there is but one exception, what must it be with us in Europe, where it is a principle—a system?

Mr. Montalembert, adopting the thought of a famous proclamation of Mr. Carlier, said, “We must make war against socialism.” And by socialism, according to the definition of Mr. Charles Dupin, he meant plunder. But what plunder did he mean? For there are two sorts: extralegal and legal plunder.

As to extralegal plunder, such as theft, or swindling, which is defined, foreseen, and punished by the penal code, I do not think it can be adorned by the name of socialism. It is not this that systematically threatens the foundations of society. Besides, the war against this kind of plunder has not waited for the signal of Mr. Montalembert or Mr. Carlier. It has gone on since the beginning of the world; France was carrying it on long before the revolution of February—long before the appearance of socialism—with all the ceremonies of magistracy, police, gendarmerie, prisons, dungeons, and scaffolds. It is the law itself that is conducting this war, and it is to be wished, in my opinion, that the law should always maintain this attitude with respect to plunder.

But this is not the case. The law sometimes takes its own part. Sometimes it accomplishes it with its own hands, in order to save the parties benefited the shame, the danger, and the scruple. Sometimes it places all this ceremony of magistracy, police, gendarmerie, and prisons, at the service of the plunderer, and treats the plundered party, when he defends himself, as the criminal. In a word, there is a legal plunder, and it is, no doubt, this that is meant by Mr. Montalembert.

This plunder may be only an exceptional blemish in the legislation of a people, and in this case, the best thing that can be done is, without so many speeches and lamentations, to do away with it as soon as possible, notwithstanding the clamors of interested parties. But how is it to be distinguished? Very easily. See whether the law takes from some persons that which belongs to them, to give to others what does not belong to them. See whether the law performs, for the profit of one citizen, and, to the injury of others, an act that this citizen cannot perform without committing a

crime. Abolish this law without delay; it is not merely an iniquity—it is a fertile source of iniquities, for it invites reprisals; and if you do not take care, the exceptional case will extend, multiply, and become systematic. No doubt the party benefited will exclaim loudly; he will assert his acquired rights. He will say that the State is bound to protect and encourage his industry; he will plead that it is a good thing for the State to be enriched, that it may spend the more, and thus shower down salaries upon the poor workmen. Take care not to listen to this sophistry, for it is just by the systematizing of these arguments that legal plunder becomes systematized.

And this is what has taken place. The delusion of the day is to enrich all classes at the expense of each other; it is to generalize plunder under pretense of organizing it. Now, legal plunder may be exercised in an infinite multitude of ways. Hence come an infinite multitude of plans for organization; tariffs, protection, perquisites, gratuities, encouragements, progressive taxation, free public education, right to work, right to profit, right to wages, right to assistance, right to instruments of labor, gratuity of credit, etc., etc. And it is all these plans, taken as a whole, with what they have in common, legal plunder, that takes the name of socialism.

Now socialism, thus defined, and forming a doctrinal body, what other war would you make against it than a war of doctrine? You find this doctrine false, absurd, abominable. Refute it. This will be all the easier, the more false, absurd, and abominable it is. Above all, if you wish to be strong, begin by rooting out of your legislation every particle of socialism which may have crept into it—and this will be no light work.

Mr. Montalembert has been reproached with wishing to turn brute force against socialism. He ought to be exonerated from this reproach, for he has plainly said: “The war that we must make against socialism must be one that is compatible with the law, honor, and justice.”

But how is it that Mr. Montalembert does not see that he is placing himself in a vicious circle? You would oppose law to socialism. But it is the law that socialism invokes. It aspires to

legal, not extralegal plunder. It is of the law itself, like monopolists of all kinds, that it wants to make an instrument; and when once it has the law on its side, how will you be able to turn the law against it? How will you place it under the power of your tribunals, your gendarmes, and of your prisons? What will you do then? You wish to prevent it from taking any part in the making of laws. You would keep it outside the Legislative Palace. In this you will not succeed, I venture to prophesy, so long as legal plunder is the basis of the legislation within.

It is absolutely necessary that this question of legal plunder should be determined, and there are only three solutions of it:

1. When the few plunder the many.
2. When everybody plunders everybody else.
3. When nobody plunders anybody.

Partial plunder, universal plunder, absence of plunder, amongst these we have to make our choice. The law can only produce one of these results.

Partial plunder. This is the system that prevailed so long as the elective privilege was partial; a system that is resorted to, to avoid the invasion of socialism.

Universal plunder. We have been threatened by this system when the elective privilege has become universal; the masses having conceived the idea of making law, on the principle of legislators who had preceded them.

Absence of plunder. This is the principle of justice, peace, order, stability, conciliation, and of good sense, which I shall proclaim with all the force of my lungs (which is very inadequate, alas!) till the day of my death.

And, in all sincerity, can anything more be required at the hands of the law? Can the law, whose necessary sanction is force, be reasonably employed upon anything beyond securing to every one his right? I defy anyone to remove it from this circle without perverting it, and consequently turning force against right. And as this is the most fatal, the most illogical social perversion that can possibly be imagined, it must be admitted that the true solution,



so much sought after, of the social problem, is contained in these simple words—LAW IS ORGANIZED JUSTICE.

Now it is important to remark, that to organize justice by law, that is to say by force, excludes the idea of organizing by law, or by force any manifestation whatever of human activity—labor, charity, agriculture, commerce, industry, instruction, the fine arts, or religion; for any one of these organizings would inevitably destroy the essential organization. How, in fact, can we imagine force encroaching upon the liberty of citizens without infringing upon justice, and so acting against its proper aim?

Here I am taking on the most popular prejudice of our time. It is not considered enough that law should be just, it must be philanthropic. It is not sufficient that it should guarantee to every citizen the free and inoffensive exercise of his faculties, applied to his physical, intellectual, and moral development; it is required to extend well-being, instruction, and morality, directly over the nation. This is the fascinating side of socialism.

But, I repeat it, these two missions of the law contradict each other. We have to choose between them. A citizen cannot at the same time be free and not free. Mr. de Lamartine wrote to me one day thus: “Your doctrine is only the half of my program; you have stopped at liberty, I go on to fraternity.” I answered him: “The second part of your program will destroy the first.” And in fact it is impossible for me to separate the word fraternity from the word voluntary. I cannot possibly conceive fraternity legally enforced, without liberty being legally destroyed, and justice legally trampled under foot. Legal plunder has two roots: one of them, as we have already seen, is in human greed; the other is in misconceived philanthropy.

Before I proceed, I think I ought to explain myself upon the word plunder.

I do not take it, as it often is taken, in a vague, undefined, relative, or metaphorical sense. I use it in its scientific acceptation, and as expressing the opposite idea to property. When a portion of wealth passes out of the hands of him who has acquired it, without his consent, and without compensation, to him who has

not created it, whether by force or by artifice, I say that property is violated, that plunder is perpetrated. I say that this is exactly what the law ought to repress always and everywhere. If the law itself performs the action it ought to repress, I say that plunder is still perpetrated, and even, in a social point of view, under aggravated circumstances. In this case, however, he who profits from the plunder is not responsible for it; it is the law, the lawgiver, society itself, and this is where the political danger lies.

It is to be regretted that there is something offensive in the word. I have sought in vain for another, for I would not wish at any time, and especially just now, to add an irritating word to our disagreements; therefore, whether I am believed or not, I declare that I do not mean to impugn the intentions nor the morality of anybody. I am attacking an idea that I believe to be false—a system that appears to me to be unjust; and this is so independent of intentions, that each of us profits by it without wishing it, and suffers from it without being aware of the cause.

Any person must write under the influence of party spirit or of fear, who would call into question the sincerity of protectionism, of socialism, and even of communism, which are one and the same plant, in three different periods of its growth. All that can be said is, that plunder is more visible by its partiality in protectionism,<sup>3</sup> and by its universality in communism; whence it follows that, of the three systems, socialism is still the most vague, the most undefined, and consequently the most sincere.

Be that as it may, to conclude that legal plunder has one of its roots in misconceived philanthropy, is evidently to put intentions out of the question.

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<sup>3</sup>If protection were only granted in France to a single class, to the engineers, for instance, it would be so absurdly plundering, as to be unable to maintain itself. Thus we see all the protected trades combine, make common cause, and even recruit themselves in such a way as to appear to embrace the mass of the national labor. They feel instinctively that plunder is slurred over by being generalized.

With this understanding, let us examine the value, the origin, and the tendency of this popular aspiration, which pretends to realize the general good by general plunder.

The Socialists say, since the law organizes justice, why should it not organize labor, instruction, and religion?

Why? Because it could not organize labor, instruction, and religion, without disorganizing justice.

For remember, that law is force, and that consequently the domain of the law cannot properly extend beyond the domain of force.

When law and force keep a man within the bounds of justice, they impose nothing upon him but a mere negation. They only oblige him to abstain from doing harm. They violate neither his personality, his liberty, nor his property. They only guard the personality, the liberty, the property of others. They hold themselves on the defensive; they defend the equal right of all. They fulfill a mission whose harmlessness is evident, whose utility is palpable, and whose legitimacy is not to be disputed. This is so true that, as a friend of mine once remarked to me, to say that the aim of the law is to cause justice to reign, is to use an expression that is not rigorously exact. It ought to be said, the aim of the law is to prevent injustice from reigning. In fact, it is not justice that has an existence of its own, it is injustice. The one results from the absence of the other.

But when the law, through the medium of its necessary agent—force—imposes a form of labor, a method or a subject of instruction, a creed, or a worship, it is no longer negative; it acts positively upon men. It substitutes the will of the legislator for their own will, the initiative of the legislator for their own initiative. They have no need to consult, to compare, or to foresee; the law does all that for them. The intellect is for them a useless encumbrance; they cease to be men; they lose their personality, their liberty, their property.

Try to imagine a form of labor imposed by force, that is not a violation of liberty; a transmission of wealth imposed by force, that is not a violation of property. If you cannot succeed in reconciling

this, you are bound to conclude that the law cannot organize labor and industry without organizing injustice.

When, from the seclusion of his office, a politician takes a view of society, he is struck with the spectacle of inequality that presents itself. He mourns over the sufferings that are the lot of so many of our brethren, sufferings whose aspect is rendered yet more sorrowful by the contrast of luxury and wealth.

He ought, perhaps, to ask himself whether such a social state has not been caused by the plunder of ancient times, exercised in the way of conquests; and by plunder of more recent times, effected through the medium of the laws? He ought to ask himself whether, granting the aspiration of all men to well-being and improvement, the reign of justice would not suffice to realize the greatest activity of progress, and the greatest amount of equality compatible with that individual responsibility that God has awarded as a just retribution of virtue and vice?

He never gives this a thought. His mind turns toward combinations, arrangements, legal or factitious organizations. He seeks the remedy in perpetuating and exaggerating what has produced the evil.

For, justice apart, which we have seen is only a negation, is there any one of these legal arrangements that does not contain the principle of plunder?

You say, "There are men who have no money," and you apply to the law. But the law is not a self-supplied fountain, whence every stream may obtain supplies independently of society. Nothing can enter the public treasury, in favor of one citizen or one class, but what other citizens and other classes have been forced to send to it. If everyone draws from it only the equivalent of what he has contributed to it, your law, it is true, is no plunderer, but it does nothing for men who want money—it does not promote equality. It can only be an instrument of equalization as far as it takes from one party to give to another, and then it is an instrument of plunder. Examine, in this light, the protection of tariffs, subsidies, right to profit, right to labor, right to assistance, free public education, progressive taxation, gratuitousness of

credit, social workshops, and you will always find at the bottom legal plunder, organized injustice.

You say, "There are men who want knowledge," and you apply to the law. But the law is not a torch that sheds light that originates within itself. It extends over a society where there are men who have knowledge, and others who have not; citizens who want to learn, and others who are disposed to teach. It can only do one of two things: either allow a free operation to this kind of transaction, i.e., let this kind of want satisfy itself freely; or else pre-empt the will of the people in the matter, and take from some of them sufficient to pay professors commissioned to instruct others for free. But, in this second case there cannot fail to be a violation of liberty and property—legal plunder.

You say, "Here are men who are wanting in morality or religion," and you apply to the law; but law is force, and need I say how far it is a violent and absurd enterprise to introduce force in these matters?

As the result of its systems and of its efforts, it would seem that socialism, notwithstanding all its self-complacency, can scarcely help perceiving the monster of legal plunder. But what does it do? It disguises it cleverly from others, and even from itself, under the seductive names of fraternity, solidarity, organization, association. And because we do not ask so much at the hands of the law, because we only ask it for justice, it alleges that we reject fraternity, solidarity, organization, and association; and they brand us with the name of individualists.

We can assure them that what we repudiate is not natural organization, but forced organization.

It is not free association, but the forms of association that they would impose upon us.

It is not spontaneous fraternity, but legal fraternity.

It is not providential solidarity, but artificial solidarity, which is only an unjust displacement of responsibility.

Socialism, like the old policy from which it emanates, confounds Government and society. And so, every time we object to a thing being done by Government, it concludes that we object to

its being done at all. We disapprove of education by the State—then we are against education altogether. We object to a State religion—then we would have no religion at all. We object to an equality which is brought about by the State then we are against equality, etc., etc. They might as well accuse us of wishing men not to eat, because we object to the cultivation of corn by the State.

How is it that the strange idea of making the law produce what it does not contain—prosperity, in a positive sense, wealth, science, religion—should ever have gained ground in the political world? The modern politicians, particularly those of the Socialist school, found their different theories upon one common hypothesis; and surely a more strange, a more presumptuous notion, could never have entered a human brain.

They divide mankind into two parts. Men in general, except one, form the first; the politician himself forms the second, which is by far the most important.

In fact, they begin by supposing that men are devoid of any principle of action, and of any means of discernment in themselves; that they have no initiative; that they are inert matter, passive particles, atoms without impulse; at best a vegetation indifferent to its own mode of existence, susceptible of assuming, from an exterior will and hand an infinite number of forms, more or less symmetrical, artistic, and perfected.

Moreover, every one of these politicians does not hesitate to assume that he himself is, under the names of organizer, discoverer, legislator, institutor or founder, this will and hand, this universal initiative, this creative power, whose sublime mission it is to gather together these scattered materials, that is, men, into society.

Starting from these data, as a gardener according to his caprice shapes his trees into pyramids, parasols, cubes, cones, vases, espaliers, distaffs, or fans; so the Socialist, following his chimera, shapes poor humanity into groups, series, circles, subcircles, honeycombs, or social workshops, with all kinds of variations. And as the gardener, to bring his trees into shape, needs

hatchets, pruning hooks, saws, and shears, so the politician, to bring society into shape, needs the forces which he can only find in the laws; the law of tariffs, the law of taxation, the law of assistance, and the law of education.

It is so true, that the Socialists look upon mankind as a subject for social experiments, that if, by chance, they are not quite certain of the success of these experiments, they will request a portion of mankind, as a subject to experiment upon. It is well known how popular the idea of trying all systems is, and one of their chiefs has been known seriously to demand of the Constituent Assembly a parish, with all its inhabitants, upon which to make his experiments.

It is thus that an inventor will make a small machine before he makes one of the regular size. Thus the chemist sacrifices some substances, the agriculturist some seed and a corner of his field, to make trial of an idea.

But think of the difference between the gardener and his trees, between the inventor and his machine, between the chemist and his substances, between the agriculturist and his seed! The Socialist thinks, in all sincerity, that there is the same difference between himself and mankind.

No wonder the politicians of the nineteenth century look upon society as an artificial production of the legislator's genius. This idea, the result of a classical education, has taken possession of all the thinkers and great writers of our country.

To all these persons, the relations between mankind and the legislator appear to be the same as those that exist between the clay and the potter.

Moreover, if they have consented to recognize in the heart of man a capability of action, and in his intellect a faculty of discernment, they have looked upon this gift of God as a fatal one, and thought that mankind, under these two impulses, tended fatally toward ruin. They have taken it for granted that if abandoned to their own inclinations, men would only occupy themselves with religion to arrive at atheism, with instruction to come to ignorance, and with labor and exchange to be extinguished in misery.

Happily, according to these writers, there are some men, termed governors and legislators, upon whom Heaven has bestowed opposite tendencies, not for their own sake only, but for the sake of the rest of the world.

Whilst mankind tends to evil, they incline to good; whilst mankind is advancing toward darkness, they are aspiring to enlightenment; whilst mankind is drawn toward vice, they are attracted by virtue. And, this granted, they demand the assistance of force, by means of which they are to substitute their own tendencies for those of the human race.

It is only needful to open, almost at random, a book on philosophy, politics, or history, to see how strongly this idea—the child of classical studies and the mother of socialism—is rooted in our country; that mankind is merely inert matter, receiving life, organization, morality, and wealth from power; or, rather, and still worse—that mankind itself tends toward degradation, and is only arrested in its tendency by the mysterious hand of the legislator. Classical conventionalism shows us everywhere, behind passive society, a hidden power, under the names of Law, or Legislator (or, by a mode of expression which refers to some person or persons of undisputed weight and authority, but not named), which moves, animates, enriches, and regenerates mankind.

We will give a quotation from Bossuet:

One of the things which was the most strongly impressed (by whom?) upon the mind of the Egyptians, was the love of their country. . . . Nobody was allowed to be useless to the State; the law assigned to every one his employment, which descended from father to son. No one was permitted to have two professions, nor to adopt another. . . . But there was one occupation which was obliged to be common to all, this was the study of the laws and of wisdom; ignorance of religion and the political regulations of the country was excused in no condition of life. Moreover, every profession had a district assigned to it (by whom?). . . . Amongst good laws, one of the best things was, that everybody was taught to observe them (by whom?). Egypt abounded with wonderful inventions, and nothing was neglected which could render life comfortable and tranquil.



Thus men, according to Bossuet, derive nothing from themselves; patriotism, wealth, inventions, husbandry, science—all come to them by the operation of the laws, or by kings. All they have to do is to be passive. It is on this ground that Bossuet takes exception when Diodorus accuses the Egyptians of rejecting wrestling and music. “How is that possible,” says he, “since these arts were invented by Trismegistus?”

It is the same with the Persians:

One of the first cares of the prince was to encourage agriculture. . . . As there were posts established for the regulation of the armies, so there were offices for the superintending of rural works. . . . The respect with which the Persians were inspired for royal authority was excessive.

The Greeks, although full of mind, were no less strangers to their own responsibilities; so much so, that of themselves, like dogs and horses, they would not have ventured upon the most simple games. In a classical sense, it is an undisputed thing that everything comes to the people from without.

The Greeks, naturally full of spirit and courage, had been early cultivated by kings and colonies who had come from Egypt. From them they had learned the exercises of the body, foot races, and horse and chariot races. . . . The best thing that the Egyptians had taught them was to become docile, and to allow themselves to be formed by the laws for the public good.

FÉNELON—Reared in the study and admiration of antiquity and a witness of the power of Louis XIV, Fenelon naturally adopted the idea that mankind should be passive, and that its misfortunes and its prosperities, its virtues and its vices, are caused by the external influence that is exercised upon it by the law, or by the makers of the law. Thus, in his *Utopia of Salentum*, he brings the men, with their interests, their faculties, their desires, and their possessions, under the absolute direction of the legislator. Whatever the subject may be, they themselves have no voice in it—the prince judges for them. The nation is just a shapeless mass,

of which the prince is the soul. In him resides the thought, the foresight, the principle of all organization, of all progress; on him, therefore, rests all the responsibility.

In proof of this assertion, I might transcribe the whole of the tenth book of *Telemachus*. I refer the reader to it, and shall content myself with quoting some passages taken at random from this celebrated work, to which, in every other respect, I am the first to render justice.

With the astonishing credulity that characterizes the classics, Fénelon, against the authority of reason and of facts, admits the general felicity of the Egyptians, and attributes it, not to their own wisdom, but to that of their kings:

We could not turn our eyes to the two shores, without perceiving rich towns and country seats, agreeably situated; fields that were covered every year, without intermission, with golden crops; meadows full of flocks; laborers bending under the weight of fruits that the earth lavished on its cultivators; and shepherds who made the echoes around repeat the soft sounds of their pipes and flutes. "Happy," said Mentor, "is that people who is governed by a wise king." . . . Mentor afterwards desired me to remark the happiness and abundance that was spread over all the country of Egypt, where twenty-two thousand cities might be counted. He admired the excellent police regulations of the cities; the justice administered in favor of the poor against the rich; the good education of the children, who were accustomed to obedience, labor, and the love of arts and letters; the exactness with which all the ceremonies of religion were performed; the disinterestedness, the desire of honor, the fidelity to men, and the fear of the gods, with which every father inspired his children. He could not sufficiently admire the prosperous state of the country. "Happy" said he, "is the people whom a wise king rules in such a manner."

Fénelon's idyll on Crete is still more fascinating. Mentor is made to say:

All that you will see in this wonderful island is the result of the laws of Minos. The education that the children receive renders the body healthy and robust. They are accustomed,

from the first, to a frugal and laborious life; it is supposed that all the pleasures of sense enervate the body and the mind; no other pleasure is presented to them but that of being invincible by virtue, that of acquiring much glory . . . there they punish three vices that go unpunished amongst other people—ingratitude, dissimulation, and avarice. As to pomp and dissipation, there is no need to punish these, for they are unknown in Crete. . . . No costly furniture, no magnificent clothing, no delicious feasts, no gilded palaces are allowed.

It is thus that Mentor prepares his scholar to mould and manipulate, doubtless with the most philanthropic intentions, the people of Ithaca, and, to confirm him in these ideas, he gives him the example of Salentum.

So we receive our first political notions. We are taught to treat men very much as Oliver de Serres teaches farmers to manage and to mix the soil.

#### MONTESQUIEU—

To sustain the spirit of commerce, it is necessary that all the laws should favor it; that these same laws, by their regulations in dividing the fortunes in proportion as commerce enlarges them, should place every poor citizen in sufficiently easy circumstances to enable him to work like the others, and every rich citizen in such mediocrity that he must work, in order to retain or to acquire.

Thus the laws are to dispose of all fortunes.

Although in a democracy, real equality be the soul of the State, yet it is so difficult to establish that an extreme exactness in this matter would not always be desirable. It is sufficient that a census be established to reduce or fix the differences to a certain point, after which, it is for particular laws to equalize, as it were, the inequality by burdens imposed upon the rich and reliefs granted to the poor.

Here, again, we see the equalization of fortunes by law, that is, by force.

There were, in Greece, two kinds of republics. One was military, as Sparta; the other commercial, as Athens. In the one it was wished (by whom?) that the citizens should be idle: in the other, the love of labor was encouraged.

It is worth our while to pay a little attention to the extent of genius required by these legislators, that we may see how, by confounding all the virtues, they showed their wisdom to the world. Lycurgus, blending theft with the spirit of justice, the hardest slavery with extreme liberty, the most atrocious sentiments with the greatest moderation, gave stability to his city. He seemed to deprive it of all its resources, arts, commerce, money, and walls; there was ambition without the hope of rising; there were natural sentiments where the individual was neither child, nor husband, nor father. Chastity even was deprived of modesty. By this road Sparta was led on to grandeur and to glory.

The phenomenon that we observe in the institutions of Greece has been seen in the midst of the degeneracy and corruption of our modern times. An honest legislator has formed a people where probity has appeared as natural as bravery among the Spartans. Mr. Penn is a true Lycurgus, and although the former had peace for his object, and the latter war, they resemble each other in the singular path along which they have led their people, in their influence over free men, in the prejudices which they have overcome, the passions they have subdued.

Paraguay furnishes us with another example. Society has been accused of the crime of regarding the pleasure of commanding as the only good of life; but it will always be a noble thing to govern men by making them happy.

Those who desire to form similar institutions will establish community of property, as in the republic of Plato, the same reverence as he enjoined for the gods, separation from strangers for the preservation of morality, and make the city and not the citizens create commerce: they should give our arts without our luxury, our wants without our desires.

Vulgar infatuation may exclaim, if it likes, “It is Montesquieu! magnificent! sublime!” I am not afraid to express my opinion, and to say:

What! You have the gall to call that fine? It is frightful! It is abominable! And these extracts, which I might multiply, show that according to Montesquieu, the persons, the liberties, the property, mankind itself, are nothing but grist for the mill of the sagacity of lawgivers.

ROUSSEAU—Although this politician, the paramount authority of the Democrats, makes the social edifice rest upon the general will, no one has so completely admitted the hypothesis of the entire passiveness of human nature in the presence of the lawgiver:

If it is true that a great prince is a rare thing, how much more so must a great lawgiver be? The former has only to follow the pattern proposed to him by the latter. This latter is the engineer who invents the machine; the former is merely the workman who sets it in motion.

And what part have men to act in all this? That of the machine, which is set in motion; or rather, are they not the brute matter of which the machine is made? Thus, between the legislator and the prince, between the prince and his subjects, there are the same relations as those that exist between the agricultural writer and the agriculturist, the agriculturist and the clod. At what a vast height, then, is the politician placed, who rules over legislators themselves and teaches them their trade in such imperative terms as the following:

Would you give consistency to the State? Bring the extremes together as much as possible. Suffer neither wealthy persons nor beggars.

If the soil is poor and barren, or the country too much confined for the inhabitants, turn to industry and the arts, whose productions you will exchange for the provisions which you require. . . . On a good soil, if you are short of inhabitants, give all your attention to agriculture, which multiplies men, and banish the arts, which only serve to

depopulate the country. . . . Pay attention to extensive and convenient coasts. Cover the sea with vessels, and you will have a brilliant and short existence. If your seas wash only inaccessible rocks, let the people be barbarous, and eat fish; they will live more quietly, perhaps better, and most certainly more happily. In short, besides those maxims which are common to all, every people has its own particular circumstances, which demand a legislation peculiar to itself.

It was thus that the Hebrews formerly, and the Arabs more recently, had religion for their principal object; that of the Athenians was literature; that of Carthage and Tyre, commerce; of Rhodes, naval affairs; of Sparta, war; and of Rome, virtue. The author of the "Spirit of Laws" has shown the art by which the legislator should frame his institutions towards each of these objects. . . . But if the legislator, mistaking his object, should take up a principle different from that which arises from the nature of things; if one should tend to slavery, and the other to liberty; if one to wealth, and the other to population; one to peace, and the other to conquests; the laws will insensibly become enfeebled, the Constitution will be impaired, and the State will be subject to incessant agitations until it is destroyed, or becomes changed, and invincible Nature regains her empire.

But if Nature is sufficiently invincible to regain its empire, why does not Rousseau admit that it had no need of the legislator to gain its empire from the beginning? Why does he not allow that by obeying their own impulse, men would of themselves apply agriculture to a fertile district, and commerce to extensive and commodious coasts without the interference of a Lycurgus, a Solon, or a Rousseau, who would undertake it at the risk of deceiving themselves?

Be that as it may, we see with what a terrible responsibility Rousseau invests inventors, institutors, conductors, and manipulators of societies. He is, therefore, very exacting with regard to them.

He who dares to undertake the institutions of a people, ought to feel that he can, as it were, transform every individual, who is by himself a perfect and solitary whole, receiving his life

and being from a larger whole of which he forms a part; he must feel that he can change the constitution of man, to fortify it, and substitute a social and moral existence for the physical and independent one that we have all received from nature. In a word, he must deprive man of his own powers, to give him others that are foreign to him.

Poor human nature! What would become of its dignity if it were entrusted to the disciples of Rousseau?

RAYNAL—

The climate, that is, the air and the soil, is the first element for the legislator. His resources prescribe to him his duties. First, he must consult his local position. A population dwelling upon maritime shores must have laws fitted for navigation. . . . If the colony is located in an inland region, a legislator must provide for the nature of the soil, and for its degree of fertility. . . .

It is more especially in the distribution of property that the wisdom of legislation will appear. As a general rule, and in every country, when a new colony is founded, land should be given to each man, sufficient for the support of his family. . . .

In an uncultivated island, which you are colonizing with children, it will only be needful to let the germs of truth expand in the developments of reason! . . . But when you establish old people in a new country, the skill consists in only allowing it those injurious opinions and customs which it is impossible to cure and correct. If you wish to prevent them from being perpetuated, you will act upon the rising generation by a general and public education of the children. A prince or legislator ought never to found a colony without previously sending wise men there to instruct the youth.... In a new colony, every facility is open to the precautions of the legislator who desires to purify the tone and the manners of the people. If he has genius and virtue, the lands and the men that are at his disposal will inspire his soul with a plan of society that a writer can only vaguely trace, and in a way that would be subject to the instability of all hypotheses, which are varied and complicated by an infinity of circumstances too difficult to foresee and to combine.

One would think it was a professor of agriculture who was saying to his pupils

The climate is the only rule for the agriculturist. His resources dictate to him his duties. The first thing he has to consider is his local position. If he is on a clayey soil, he must do so and so. If he has to contend with sand, this is the way in which he must set about it. Every facility is open to the agriculturist who wishes to clear and improve his soil. If he only has the skill, the manure which he has at his disposal will suggest to him a plan of operation, which a professor can only vaguely trace, and in a way that would be subject to the uncertainty of all hypotheses, which vary and are complicated by an infinity of circumstances too difficult to foresee and to combine.

But, oh! sublime writers, deign to remember sometimes that this clay, this sand, this manure, of which you are disposing in so arbitrary a manner, are men, your equals, intelligent and free beings like yourselves, who have received from God, as you have, the faculty of seeing, of foreseeing, of thinking, and of judging for themselves!

MABLY—(He is supposing the laws to be worn out by time and by the neglect of security, and continues thus):

Under these circumstances, we must be convinced that the bonds of Government are slack. Give them a new tension (it is the reader who is addressed), and the evil will be remedied. . . . Think less of punishing the faults than of encouraging the virtues that you want. By this method you will bestow upon your republic the vigor of youth. Through ignorance of this, a free people has lost its liberty! But if the evil has made so much way that the ordinary magistrates are unable to remedy it effectually, have recourse to an extraordinary magistracy, whose time should be short, and its power considerable. The imagination of the citizens requires to be impressed.

In this style he goes on through twenty volumes.

There was a time when, under the influence of teaching like this, which is the foundation of classical education, everyone was



for placing himself beyond and above mankind, for the sake of arranging, organizing, and instituting it in his own way.

### CONDILLAC—

Take upon yourself, my lord, the character of Lycurgus or of Solon. Before you finish reading this essay, amuse yourself with giving laws to some wild people in America or in Africa. Establish these roving men in fixed dwellings; teach them to keep flocks. . . . Endeavor to develop the social qualities that nature has implanted in them. . . . Make them begin to practice the duties of humanity. . . . Cause the pleasures of the passions to become distasteful to them by punishments, and you will see these barbarians, with every plan of your legislation, lose a vice and gain a virtue.

All these people have had laws. But few among them have been happy. Why is this? Because legislators have almost always been ignorant of the object of society, which is to unite families by a common interest.

Impartiality in law consists in two things, in establishing equality in the fortunes and in the dignity of the citizens. . . . In proportion to the degree of equality established by the laws, the dearer will they become to every citizen. How can avarice, ambition, dissipation, idleness, sloth, envy, hatred, or jealousy agitate men who are equal in fortune and dignity, and to whom the laws leave no hope of disturbing their equality?

What has been told you of the republic of Sparta ought to enlighten you on this question. No other State has had laws more in accordance with the order of nature or of equality.

It is not to be wondered at that the seventeenth and eighteenth centuries should have looked upon the human race as inert matter, ready to receive everything—form, figure, impulse, movement, and life, from a great prince, or a great legislator, or a great genius. These ages were reared in the study of antiquity; and antiquity presents everywhere—in Egypt, Persia, Greece, and Rome, the spectacle of a few men molding mankind according to their fancy, and mankind to this end enslaved by force or by

imposture. And what does this prove? That because men and society are improvable, error, ignorance, despotism, slavery, and superstition must be more prevalent in early times. The mistake of the writers quoted above is not that they have asserted this fact, but that they have proposed it as a rule for the admiration and imitation of future generations. Their mistake has been, with an inconceivable absence of discernment, and upon the faith of a puerile conventionalism, that they have admitted what is inadmissible, viz., the grandeur, dignity, morality, and well-being of the artificial societies of the ancient world; they have not understood that time produces and spreads enlightenment; and that in proportion to the increase of enlightenment, right ceases to be upheld by force, and society regains possession of herself.

And, in fact, what is the political work that we are endeavoring to promote? It is no other than the instinctive effort of every people toward liberty. And what is liberty, whose name can make every heart beat, and which can agitate the world, but the union of all liberties, the liberty of conscience, of education, of association, of the press, of movement, of labor, and of exchange; in other words, the free exercise, for all, of all the inoffensive faculties; and again, in other words, the destruction of all despotisms, even of legal despotism, and the reduction of law to its only rational sphere, which is to regulate the individual right of legitimate defense, or to repress injustice?

This tendency of the human race, it must be admitted, is greatly thwarted, particularly in our country, by the fatal disposition, resulting from classical teaching and common to all politicians, of placing themselves beyond mankind, to arrange, organize, and regulate it, according to their fancy.

For whilst society is struggling to realize liberty, the great men who place themselves at its head, imbued with the principles of the seventeenth and eighteenth centuries, think only of subjecting it to the philanthropic despotism of their social inventions, and making it bear with docility, according to the expression of Rousseau, the yoke of public felicity as pictured in their own imaginations.

This was particularly the case in 1789. No sooner was the old system destroyed than society was to be submitted to other artificial arrangements, always with the same starting point—the omnipotence of the law.

SAINT-JUST—

The legislator commands the future. It is for him to will for the good of mankind. It is for him to make men what he wishes them to be.

ROBESPIERRE—

The function of Government is to direct the physical and moral powers of the nation toward the object of its institution.

BILLAUD VARENNES—

A people who are to be restored to liberty must be formed anew. Ancient prejudices must be destroyed, antiquated customs changed, depraved affections corrected, inveterate vices eradicated. For this, a strong force and a vehement impulse will be necessary. . . . Citizens, the inflexible austerity of Lycurgus created the firm basis of the Spartan republic. The feeble and trusting disposition of Solon plunged Athens into slavery. This parallel contains the whole science of Government.

LEPELLETIER—

Considering the extent of human degradation, I am convinced—of the necessity of effecting an entire regeneration of the race, and, if I may so express myself, of creating a new people.

Men, therefore, are nothing but raw material. It is not for them to will their own improvement. They are not capable of it; according to Saint-Just, it is only the legislator who is. Men are merely to be what he wills that they should be. According to Robespierre, who copies Rousseau literally, the legislator is to begin by assigning the aim of the institutions of the nation. After

this, the Government has only to direct all its physical and moral forces toward this end. All this time the nation itself is to remain perfectly passive; and Billaud Varennes would teach us that it ought to have no prejudices, affections, nor wants, but such as are authorized by the legislator. He even goes so far as to say that the inflexible austerity of a man is the basis of a republic.

We have seen that, in cases where the evil is so great that the ordinary magistrates are unable to remedy it, Mably recommends a dictatorship, to promote virtue. "Have recourse," says he, "to an extraordinary magistracy, whose time shall be short, and his power considerable. The imagination of the people requires to be impressed." This doctrine has not been neglected. Listen to Robespierre:

The principle of the Republican Government is virtue, and the means to be adopted, during its establishment, is terror. We want to substitute, in our country, morality for self-indulgence, probity for honor, principles for customs, duties for decorum, the empire of reason for the tyranny of fashion, contempt of vice for contempt of misfortune, pride for insolence, greatness of soul for vanity, love of glory for love of money, good people for good company, merit for intrigue, genius for wit, truth for glitter, the charm of happiness for the weariness of pleasure, the greatness of man for the littleness of the great, a magnanimous, powerful, happy people, for one that is easy, frivolous, degraded; that is to say, we would substitute all the virtues and miracles of a republic for all the vices and absurdities of monarchy.

At what a vast height above the rest of mankind does Robespierre place himself here! And observe the arrogance with which he speaks. He is not content with expressing a desire for a great renovation of the human heart, he does not even expect such a result from a regular Government. No; he intends to effect it himself, and by means of terror. The object of the discourse from which this puerile and laborious mass of antithesis is extracted, was to exhibit the principles of morality that ought to direct a revolutionary Government. Moreover, when Robespierre asks for a dictatorship, it is not merely for the purpose of repelling a foreign

enemy, or of putting down factions; it is that he may establish, by means of terror and as a preliminary to the operation of the Constitution, his own principles of morality. He pretends to nothing short of extirpating from the country by means of terror, self-interest, honor, customs, decorum, fashion, vanity, the love of money, good company, intrigue, wit, luxury, and misery. It is not until after he, Robespierre, shall have accomplished these miracles, as he rightly calls them, that he will allow the law to regain her empire. Truly it would be well if these visionaries, who think so much of themselves and so little of mankind, who want to renew everything, would only be content with trying to reform themselves, the task would be arduous enough for them. In general, however, these gentlemen, the reformers, legislators, and politicians, do not desire to exercise an immediate despotism over mankind. No, they are too moderate and too philanthropic for that. They only contend for the despotism, the absolutism, the omnipotence of the law. They aspire only to make the law.

To show how universal this strange disposition has been in France, I had need not only to have copied the whole of the works of Mably, Raynal, Rousseau, Fenelon, and to have made long extracts from Bossuet and Montesquieu, but to have given the entire transactions of the sittings of the Convention. I shall do no such thing, however, but merely refer the reader to them.

No wonder this idea suited Bonaparte so well. He embraced it with ardor, and put it in practice with energy. Playing the part of a chemist, Europe was to him the material for his experiments. But this material reacted against him. More than half undeceived, Bonaparte, at St. Helena, seemed to admit that there is an initiative in every people, and he became less hostile to liberty. Yet this did not prevent him from giving this lesson to his son in his will—“To govern is to diffuse morality, education, and well-being.”

After all this, I hardly need show, by fastidious quotations, the opinions of Morelly, Babeuf, Owen, Saint Simon, and Fourier. I shall confine myself to a few extracts from Louis Blanc’s book on the organization of labor.

“In our project, society receives the impulse of power.”

In what does the impulse that power gives to society consist? In imposing upon it the project of Mr. Louis Blanc.

On the other hand, society is the human race. The human race, then, is to receive its impulse from Mr. Louis Blanc.

It is at liberty to do so or not, it will be said. Of course the human race is at liberty to take advice from anybody, whoever it may be. But this is not the way in which Mr. Louis Blanc understands the thing. He means that his project should be converted into law, and consequently forcibly imposed by power.

In our project, the State has only to give a legislation to labor, by means of which the industrial movement may and ought to be accomplished in all liberty. It (the State) merely places society on an incline (that is all) that it may descend, when once it is placed there, by the mere force of things, and by the natural course of the established mechanism.

But what is this incline? One indicated by Mr. Louis Blanc. Does it not lead to an abyss? No, it leads to happiness. Why, then, does not society go there of itself? Because it does not know what it wants, and it requires an impulse. What is to give it this impulse? Power. And who is to give the impulse to power? The inventor of the machine, Mr. Louis Blanc.

We shall never get out of this circle—mankind passive, and a great man moving it by the intervention of the law. Once on this incline, will society enjoy something like liberty? Without a doubt. And what is liberty?

Once for all: liberty consists not only in the right granted, but in the power given to man to exercise, to develop his faculties under the empire of justice, and under the protection of the law.

And this is no vain distinction; there is a deep meaning in it, and its consequences are imponderable. For when once it is admitted that man, to be truly free, must have the power to exercise and develop his faculties, it follows that every member of society has a claim upon it for such education as shall enable his faculties to display themselves, and for the tools of labor, without which human activity can find no

scope. Now, by whose intervention is society to give to each of its members the requisite education and the necessary tools of labor, unless by that of the State?

Thus, liberty is power. In what does this power consist? In possessing education and tools of labor. Who is to give education and tools of labor? Society, who owes them. By whose intervention is society to give tools of labor to those who do not possess them? By the intervention of the State. From whom is the State to obtain them?

It is for the reader to answer this question, and to notice whither all this tends.

One of the strangest phenomena of our time, and one that will probably be a matter of astonishment to our descendants, is the doctrine which is founded upon this triple hypothesis: the radical passiveness of mankind—the omnipotence of the law—the infallibility of the legislator: this is the sacred symbol of the party that proclaims itself exclusively democratic.

It is true that it professes also to be social.

So far as it is democratic, it has an unlimited faith in mankind.

So far as it is social, it places mankind beneath the mud.

Are political rights under discussion? Is a legislator to be chosen? Oh, then the people possess science by instinct: they are gifted with an admirable discernment; their will is always right; the general will cannot err. Suffrage cannot be too universal. Nobody is under any responsibility to society. The will and the capacity to choose well are taken for granted. Can the people be mistaken? Are we not living in an age of enlightenment? What! Are the people to be forever led about by the nose? Have they not acquired their rights at the cost of effort and sacrifice? Have they not given sufficient proof of intelligence and wisdom? Are they not arrived at maturity? Are they not in a state to judge for themselves? Do they not know their own interest? Is there a man or a class who would dare to claim the right of putting himself in the place of the people, of deciding and of acting for them? No, no; the people would be free, and they shall be so. They wish to conduct their own affairs, and they shall do so.

But when once the legislator is duly elected, then indeed the style of his speech alters. The nation is sent back into passiveness, inertness, nothingness, and the legislator takes possession of omnipotence. It is for him to invent, for him to direct, for him to impel, for him to organize. Mankind has nothing to do but to submit; the hour of despotism has struck. And we must observe that this is decisive; for the people, just before so enlightened, so moral, so perfect, have no inclinations at all, or, if they have any, these all lead them downward toward degradation. And yet they ought to have a little liberty! But are we not assured by Mr. Considerant that liberty leads fatally to monopoly? Are we not told that liberty is competition? and that competition, according to Mr. Louis Blanc, is a system of extermination for the people, and of ruination for trade? For that reason people are exterminated and ruined in proportion as they are free—take, for example, Switzerland, Holland, England, and the United States? Does not Mr. Louis Blanc tell us again that competition leads to monopoly, and that, for the same reason, cheapness leads to exorbitant prices? That competition tends to drain the sources of consumption, and diverts production to a destructive activity? That competition forces production to increase, and consumption to decrease—whence it follows that free people produce for the sake of not consuming; that there is nothing but oppression and madness among them; and that it is absolutely necessary for Mr. Louis Blanc to see to it?

What sort of liberty should be allowed to men? Liberty of conscience?—But we should see them all profiting by the permission to become atheists. Liberty of education?—But parents would be paying professors to teach their sons immorality and error; besides, if we are to believe Mr. Thiers, education, if left to the national liberty, would cease to be national, and we should be educating our children in the ideas of the Turks or Hindus, instead of which, thanks to the legal despotism of the universities, they have the good fortune to be educated in the noble ideas of the Romans. Liberty of labor? But this is only competition, whose effect is to leave all products unconsumed, to exterminate the



people, and to ruin the tradesmen. The liberty of exchange? But it is well known that the protectionists have shown, over and over again, that a man will inevitably be ruined when he exchanges freely, and that to become rich it is necessary to exchange without liberty. Liberty of association? But according to the socialist doctrine, liberty and association exclude each other, for the liberty of men is attacked just to force them to associate.

You must see, then, that the socialist democrats cannot in conscience allow men any liberty, because, by their own nature, they tend in every instance to all kinds of degradation and demoralization.

We are therefore left to conjecture, in this case, upon what foundation universal suffrage is claimed for them with so much importunity.

The pretensions of organizers suggest another question, which I have often asked them, and to which I am not aware that I ever received an answer: Since the natural tendencies of mankind are so bad that it is not safe to allow them liberty, how comes it to pass that the tendencies of organizers are always good? Do not the legislators and their agents form a part of the human race? Do they consider that they are composed of different materials from the rest of mankind? They say that society, when left to itself, rushes to inevitable destruction, because its instincts are perverse. They presume to stop it in its downward course, and to give it a better direction. They have, therefore, received from heaven, intelligence and virtues that place them beyond and above mankind: let them show their title to this superiority. They would be our shepherds, and we are to be their flock. This arrangement presupposes in them a natural superiority, the right to which we are fully justified in calling upon them to prove.

You must observe that I am not contending against their right to invent social combinations, to propagate them, to recommend them, and to try them upon themselves, at their own expense and risk; but I do dispute their right to impose them upon us through the medium of the law, that is, by force and by public taxes.

I would not insist upon the Cabetists, the Fourierists, the Proudhonians, the Academics, and the Protectionists renouncing

their own particular ideas; I would only have them renounce the idea that is common to them all—viz., that of subjecting us by force to their own categories and rankings to their social laboratories, to their ever-inflating bank, to their Greco-Roman morality, and to their commercial restrictions. I would ask them to allow us the faculty of judging of their plans, and not to oblige us to adopt them if we find that they hurt our interests or are repugnant to our consciences.

To presume to have recourse to power and taxation, besides being oppressive and unjust, implies further, the pernicious assumption that the organized is infallible, and mankind incompetent.

And if mankind is not competent to judge for itself, why do they talk so much about universal suffrage?

This contradiction in ideas is unhappily to be found also in facts; and whilst the French nation has preceded all others in obtaining its rights, or rather its political claims, this has by no means prevented it from being more governed, and directed, and imposed upon, and fettered, and cheated, than any other nation. It is also the one, of all others, where revolutions are constantly to be dreaded, and it is perfectly natural that it should be so.

So long as this idea is retained, which is admitted by all our politicians, and so energetically expressed by Mr. Louis Blanc in these words—"Society receives its impulse from power," so long as men consider themselves as capable of feeling, yet passive—incapable of raising themselves by their own discernment and by their own energy to any morality, or well-being, and while they expect everything from the law; in a word, while they admit that their relations with the State are the same as those of the flock with the shepherd, it is clear that the responsibility of power is immense. Fortune and misfortune, wealth and destitution, equality and inequality all proceed from it. It is charged with everything, it undertakes everything, it does everything; therefore it has to answer for everything. If we are happy, it has a right to claim our gratitude; but if we are miserable, it alone must bear the blame. Are not our persons and property in fact, at its disposal?

Is not the law omnipotent? In creating the educational monopoly, it has undertaken to answer the expectations of fathers of families who have been deprived of liberty; and if these expectations are disappointed, whose fault is it?

In regulating industry, it has undertaken to make it prosper, otherwise it would have been absurd to deprive it of its liberty; and if it suffers, whose fault is it? In pretending to adjust the balance of commerce by the game of tariffs, it undertakes to make commerce prosper; and if, so far from prospering, it is destroyed, whose fault is it? In granting its protection to maritime armaments in exchange for their liberty, it has undertaken to render them self-sufficient; if they become burdensome, whose fault is it?

Thus, there is not a grievance in the nation for which the Government does not voluntarily make itself responsible. Is it any wonder that every failure threatens to cause a revolution? And what is the remedy proposed? To extend indefinitely the dominion of the law, i.e., the responsibility of Government. But if the Government undertakes to raise and to regulate wages, and is not able to do it; if it undertakes to assist all those who are in want, and is not able to do it; if it undertakes to provide work for every laborer, and is not able to do it; if it undertakes to offer to all who wish to borrow, easy credit, and is not able to do it; if, in words that we regret should have escaped the pen of Mr. de Lamartine, “the State considers that its mission is to enlighten, to develop, to enlarge, to strengthen, to spiritualize, and to sanctify the soul of the people”—if it fails in this, is it not obvious that after every disappointment, which, alas! is more than probable, there will be a no less inevitable revolution?

I shall now resume the subject by remarking, that immediately after the economical part<sup>4</sup> of the question, and before the political part, a leading question presents itself. It is the following:

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<sup>4</sup>Political economy precedes politics: the former has to discover whether human interests are harmonious or antagonistic, a fact which must be settled before the latter can determine the prerogatives of Government.

What is law? What ought it to be? What is its domain? What are its limits? Where, in fact, does the prerogative of the legislator stop?

I have no hesitation in answering, Law is common force organized to prevent injustice—in short, Law is Justice.

It is not true that the legislator has absolute power over our persons and property, since they pre-exist, and his work is only to secure them from injury.

It is not true that the mission of the law is to regulate our consciences, our ideas, our will, our education, our sentiments, our works, our exchanges, our gifts, our enjoyments. Its mission is to prevent the rights of one from interfering with those of another, in any one of these things.

Law, because it has force for its necessary sanction, can only have the domain of force, which is justice.

And as every individual has a right to have recourse to force only in cases of lawful defense, so collective force, which is only the union of individual forces, cannot be rationally used for any other end.

The law, then, is solely the organization of individual rights that existed before law.

Law is justice.

So far from being able to oppress the people, or to plunder their property, even for a philanthropic end, its mission is to protect the people, and to secure to them the possession of their property.

It must not be said, either, that it may be philanthropic, so long as it abstains from all oppression; for this is a contradiction. The law cannot avoid acting upon our persons and property; if it does not secure them, then it violates them if it touches them.

The law is justice.

Nothing can be more clear and simple, more perfectly defined and bounded, or more visible to every eye; for justice is a given quantity, immutable and unchangeable, and which admits of neither increase or diminution.

Depart from this point, make the law religious, fraternal, equalizing, industrial, literary, or artistic, and you will be lost in vagueness and uncertainty; you will be upon unknown ground, in a forced Utopia, or, what is worse, in the midst of a multitude of contending Utopias, each striving to gain possession of the law, and to impose it upon you; for fraternity and philanthropy have no fixed limits, as justice has. Where will you stop? Where is the law to stop? One person, Mr. de Saint Cricq, will only extend his philanthropy to some of the industrial classes, and will require the law to slight the consumers in favor of the producers. Another, like Mr. Considerant, will take up the cause of the working classes, and claim for them by means of the law, at a fixed rate, clothing, lodging, food, and everything necessary for the support of life. A third, Mr. Louis Blanc, will say, and with reason, that this would be an incomplete fraternity, and that the law ought to provide them with tools of labor and education. A fourth will observe that such an arrangement still leaves room for inequality, and that the law ought to introduce into the most remote hamlets luxury, literature, and the arts. This is the high road to communism; in other words, legislation will be—as it now is—the battlefield for everybody's dreams and everybody's covetousness.

Law is justice.

In this proposition we represent to ourselves a simple, immovable Government. And I defy anyone to tell me whence the thought of a revolution, an insurrection, or a simple disturbance could arise against a public force confined to the repression of injustice. Under such a system, there would be more well-being, and this well-being would be more equally distributed; and as to the sufferings inseparable from humanity, no one would think of accusing the Government of them, for it would be as innocent of them as it is of the variations of the temperature. Have the people ever been known to rise against the court of appeals, or assail the justices of the peace, for the sake of claiming the rate of wages, free credit, tools of labor, the advantages of the tariff, or the social workshop? They know perfectly well that these matters are beyond the jurisdiction of the justices of the peace, and they

would soon learn that they are not within the jurisdiction of the law quite as much.

But if the law were to be made upon the principle of fraternity, if it were to be proclaimed that from it proceed all benefits and all evils—that it is responsible for every individual grievance and for every social inequality—then you open the door to an endless succession of complaints, irritations, troubles, and revolutions.

Law is justice.

And it would be very strange if it could properly be anything else! Is not justice right? Are not rights equal? With what show of right can the law interfere to subject me to the social plans of Misters. Mimerel, de Melun, Thiers, or Louis Blanc, rather than to subject these gentlemen to my plans? Is it to be supposed that Nature has not bestowed upon me sufficient imagination to invent a Utopia too? Is it for the law to make choice of one amongst so many fancies, and to make use of the public force in its service?

Law is justice.

And let it not be said, as it continually is, that the law, in this sense, would be atheistic, individual, and heartless, and that it would mold mankind in its own image. This is an absurd conclusion, quite worthy of the governmental infatuation which sees mankind in the law.

What then? Does it follow that if we are free, we shall cease to act? Does it follow that if we do not receive an impulse from the law, we shall receive no impulse at all? Does it follow that if the law confines itself to securing to us the free exercise of our faculties, our faculties will be paralyzed? Does it follow, that if the law does not impose upon us forms of religion, modes of association, methods of education, rules for labor, directions for exchange, and plans for charity, we shall plunge headlong into atheism, isolation, ignorance, misery, and greed? Does it follow, that we shall no longer recognize the power and goodness of God; that we shall cease to associate together, to help each other,

to love and assist our unfortunate brethren, to study the secrets of nature, and to aspire after perfection in our existence?

Law is justice.

And it is under the law of justice, under the reign of right, under the influence of liberty, security, stability, and responsibility, that every man will attain to the fullness of his worth, to all the dignity of his being, and that mankind will accomplish with order and with calmness—slowly, it is true, but with certainty—the progress ordained for it.

I believe that my theory is correct; for whatever be the question upon which I am arguing, whether it be religious, philosophical, political, or economical; whether it affects well-being, morality, equality, right, justice, progress, responsibility, property, labor, exchange, capital, wages, taxes, population, credit, or Government; at whatever point of the scientific horizon I start from, I invariably come to the same thing—the solution of the social problem is in liberty.

And have I not experience on my side? Cast your eye over the globe. Which are the happiest, the most moral, and the most peaceable nations? Those where the law interferes the least with private activity; where the Government is the least felt; where individuality has the most scope, and public opinion the most influence; where the machinery of the administration is the least important and the least complicated; where taxation is lightest and least unequal, popular discontent the least excited and the least justifiable; where the responsibility of individuals and classes is the most active, and where, consequently, if morals are not in a perfect state, at any rate they tend incessantly to correct themselves; where transactions, meetings, and associations are the least fettered; where labor, capital, and production suffer the least from artificial displacements; where mankind follows most completely its own natural course; where the thought of God prevails the most over the inventions of men; those, in short, who realize the most nearly this idea that within the limits of right, all should flow from the free, perfectible, and voluntary action of man;

nothing be attempted by the law or by force, except the administration of universal justice.

I cannot avoid coming to this conclusion—that there are too many great men in the world; there are too many legislators, organizers, institutors of society, conductors of the people, fathers of nations, etc., etc. Too many persons place themselves above mankind, to rule and patronize it; too many persons make a trade of looking after it. It will be answered—“You yourself are occupied upon it all this time.” Very true. But it must be admitted that it is in another sense entirely that I am speaking; and if I join the reformers it is solely for the purpose of inducing them to relax their hold.

I am not doing as Vaucanson did with his automaton, but as a physiologist does with the human frame; I would study and admire it.

I am acting with regard to it in the spirit that animated a celebrated traveler. He found himself in the midst of a savage tribe. A child had just been born, and a crowd of soothsayers, magicians, and quacks were around it, armed with rings, hooks, and bandages. One said—“This child will never smell the perfume of a calumet, unless I stretch his nostrils.” Another said—“He will be without the sense of hearing, unless I draw his ears down to his shoulders.” A third said—“He will never see the light of the sun, unless I give his eyes an oblique direction.” A fourth said—“He will never be upright, unless I bend his legs.” A fifth said—“He will not be able to think, unless I press his brain.” “Stop!” said the traveler. “Whatever God does, is well done; do not pretend to know more than He; and as He has given organs to this frail creature, allow those organs to develop themselves, to strengthen themselves by exercise, use, experience, and liberty.”

God has implanted in mankind also all that is necessary to enable it to accomplish its destinies. There is a providential social physiology, as well as a providential human physiology. The social organs are constituted so as to enable them to develop harmoniously in the grand air of liberty. Away, then, with quacks and organizers! Away with their rings, and their chains, and their



hooks, and their pincers! Away with their artificial methods! Away with their social laboratories, their governmental whims, their centralization, their tariffs, their universities, their State religions, their inflationary or monopolizing banks, their limitations, their restrictions, their moralizations, and their equalization by taxation! And now, after having vainly inflicted upon the social body so many systems, let them end where they ought to have begun—reject all systems, and try liberty—liberty, which is an act of faith in God and in His work.

### III.

## GOVERNMENT<sup>1</sup>

I wish someone would offer a prize—not of a hundred francs, but of a million, with crowns, medals and ribbons—for a good, simple and intelligible definition of the word “Government.”

What an immense service it would confer on society!

The Government! What is it? Where is it? what does it do? what ought it to do? All we know is, that it is a mysterious personage; and assuredly, it is the most solicited, the most tormented, the most overwhelmed, the most admired, the most accused, the most invoked, and the most provoked, of any personage in the world.

I have not the pleasure of knowing my reader, but I would stake ten to one that for six months he has been making Utopias, and if so, that he is looking to Government for the realization of them.

And should the reader happen to be a lady, I have no doubt that she is sincerely desirous of seeing all the evils of suffering

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<sup>1</sup>First published in 1848.

humanity remedied, and that she thinks this might easily be done, if Government would only undertake it.

But, alas! that poor unfortunate personage, like Figaro, knows not to whom to listen, nor where to turn. The hundred thousand mouths of the press and of the speaker's platform cry out all at once:

“Organize labor and workmen.”

“Do away with greed.”

“Repress insolence and the tyranny of capital.”

“Experiment with manure and eggs.”

“Cover the country with railways.”

“Irrigate the plains.”

“Plant the hills.”

“Make model farms.”

“Found social laboratories.”

“Colonize Algeria.”

“Nourish children.”

“Educate the youth.”

“Assist the aged.”

“Send the inhabitants of towns into the country.”

“Equalize the profits of all trades.”

“Lend money without interest to all who wish to borrow.”

“Emancipate Italy, Poland, and Hungary.”

“Rear and perfect the saddle-horse.”

“Encourage the arts, and provide us with musicians and dancers.”

“Restrict commerce, and at the same time create a merchant navy.”

“Discover truth, and put a grain of reason into our heads. The mission of Government is to enlighten, to develop, to extend, to fortify, to spiritualize, and to sanctify the soul of the people.”

“Do have a little patience, gentlemen,” says Government in a beseeching tone. “I will do what I can to satisfy you, but for this I must have resources. I have been preparing plans for five or six taxes, which are quite new, and not at all oppressive. You will see how willingly people will pay them.”

Then comes a great exclamation: “No! indeed! Where is the merit of doing a thing with resources? Why, it does not deserve the name of a Government! So far from loading us with fresh taxes, we would have you withdraw the old ones. You ought to suppress:

“The salt tax,  
“The tax on liquors,  
“The tax on letters,  
“Custom-house duties,  
“Patents.”

In the midst of this tumult, and now that the country has two or three times changed its Government, for not having satisfied all its demands, I wanted to show that they were contradictory. But what could I have been thinking about? Could I not keep this unfortunate observation to myself?

I have lost my character for I am looked upon as a man without *heart* and without *feeling*—a dry philosopher, an individualist, a plebeian—in a word, an economist of the English or American school. But, pardon me, sublime writers, who stop at nothing, not even at contradictions. I am wrong, without a doubt, and I would willingly retract. I should be glad enough, you may be sure, if you had really discovered a beneficent and inexhaustible being, calling itself the Government, which has bread for all mouths, work for all hands, capital for all enterprises, credit for all projects, salve for all wounds, balm for all sufferings, advice for all perplexities, solutions for all doubts, truths for all intellects, diversions for all who want them, milk for infancy, and wine for old age—which can provide for all our wants, satisfy all our curiosity, correct all our errors, repair all our faults, and exempt us henceforth from the necessity for foresight, prudence, judgment, sagacity, experience, order, economy, temperance and activity.

What reason could I have for not desiring to see such a discovery made? Indeed, the more I reflect upon it, the more do I see that nothing could be more convenient than that we should all of us have within our reach an inexhaustible source of wealth and

enlightenment—a universal physician, an unlimited pocketbook, and an infallible counselor, such as you describe Government to be. Therefore I want to have it pointed out and defined, and a prize should be offered to the first discoverer of the will-o-the-wisp. For no one would think of asserting that this precious discovery has yet been made, since up to this time everything presenting itself under the name of the Government is immediately overturned by the people, precisely because it does not fulfill the rather contradictory requirements of the program.

I will venture to say that I fear we are in this respect the dupes of one of the strangest illusions that have ever taken possession of the human mind.

Man recoils from trouble—from suffering; and yet he is condemned by nature to the suffering of privation, if he does not take the trouble to work. He has to choose then between these two evils. What means can he adopt to avoid both? There remains now, and there will remain, only one way, which is, *to enjoy the labor of others*. Such a course of conduct prevents the trouble and the enjoyment from assuming their natural proportion, and causes all the trouble to become the lot of one set of persons, and all the enjoyment that of another. This is the origin of slavery and of plunder, whatever its form may be—whether that of wars, taxes, violence, restrictions, frauds, etc.—monstrous abuses, but consistent with the thought that has given them birth. Oppression should be detested and resisted—it can hardly be called trivial.

Slavery is subsiding, thank heaven! and on the other hand, our disposition to defend our property prevents direct and open plunder from being easy.

One thing, however, remains—it is the original inclination that exists in all men to divide the lot of life into two parts, throwing the trouble upon others, and keeping the satisfaction for themselves. It remains to be shown under what new form this sad tendency is manifesting itself.

The oppressor no longer acts directly and with his own powers upon his victim. No, our discretion has become too refined for that. The tyrant and his victim are still present, but there is an

intermediate person between them, which is the Government—that is, the Law itself. What can be better calculated to silence our scruples, and, which is perhaps better appreciated, to overcome all resistance? We all, therefore, put in our claim under some pretext or other, and apply to Government. We say to it,

I am dissatisfied at the proportion between my labor and my enjoyments. I should like, for the sake of restoring the desired equilibrium, to take a part of the possessions of others. But this would be dangerous. Could not you facilitate the thing for me? Could you not find me a good place? or check the industry of my competitors? or, perhaps, lend me gratuitously some capital, which you may take from its possessor? Could you not bring up my children at the public expense? or grant me some subsidies? or secure me a pension when I have attained my fiftieth year? By this means I shall gain my end with an easy conscience, for the law will have acted for me, and I shall have all the advantages of plunder, without its risk or its disgrace!

As it is certain, on the one hand, that we are all making some similar request to the Government; and as, on the other, it is proved that Government cannot satisfy one party without adding to the labor of the others, until I can obtain another definition of the word Government, I feel authorized to give my own. Who knows but it may obtain the prize?

Here it is:

*Government is that great fiction, through which everybody endeavors to live at the expense of everybody else.*

For now, as formerly, everyone is more or less for profiting by the labors of others. No one would dare to profess such a sentiment; he even hides it from himself; and then what is done? A medium is thought of; Government is applied to, and every class in its turn comes to it, and says, “You, who can take justifiably and honestly, take from the public, and we will partake.” Alas! Government is only too much disposed to follow this diabolical advice, for it is composed of ministers and officials—of men, in

short, who, like all other men, desire in their hearts, and always seize every opportunity with eagerness, to increase their wealth and influence. Government is not slow to perceive the advantages it may derive from the part that is entrusted to it by the public. It is glad to be the judge and the master of the destinies of all; it will take much, for then a large share will remain for itself; it will multiply the number of its agents; it will enlarge the circle of its privileges; it will end by appropriating a ruinous proportion.

But the most remarkable part of it is the astonishing blindness of the public through it all. When successful soldiers used to reduce the vanquished to slavery, they were barbarous, but they were not irrational. Their object, like ours, was to live at other people's expense, and they did not fail to do so. What are we to think of a people who never seem to suspect that *reciprocal plunder* is no less plunder because it is reciprocal; that it is no less criminal because it is executed legally and with order; that it adds nothing to the public good; that it diminishes it, just in proportion to the cost of the expensive medium which we call the Government?

And it is this great chimera that we have placed, for the edification of the people, as a frontispiece to the Constitution. The following is the beginning of the preamble:

France has constituted itself a republic for the purpose of raising all the citizens to an ever-increasing degree of morality, enlightenment, and well-being.

Thus it is France, or an abstraction, that is to raise the French, or flesh-and-blood *realities*, to morality, well-being, etc. Is it not by yielding to this strange delusion that we are led to expect everything from an energy not our own? Is it not announcing that there is, independently of the French, a virtuous, enlightened, and rich being, who can and will bestow upon them its benefits? Is not this supposing, and certainly very presumptuously, that there are between France and the French—between the simple, abridged, and abstract denomination of all the individualities, and these individualities themselves—relations as of father to son, tutor to his

pupil, professor to his scholar? I know it is often said, metaphorically, "the country is a tender mother." But to show the inanity of the constitutional proposition, it is only needed to show that it may be reversed, not only without inconvenience, but even with advantage. Would it be less exact to say,

The French have constituted themselves a Republic, to raise France to an ever-increasing degree of morality, enlightenment, and well-being.

Now, where is the value of an axiom where the subject and the attribute may change places without inconvenience? Everybody understands what is meant by this, "The mother will feed the child." But it would be ridiculous to say, "The child will feed the mother."

The Americans formed a different idea of the relations of the citizens with the Government when they placed these simple words at the head of their Constitution:

We, the people of the United States, for the purpose of forming a more perfect union, of establishing justice, of securing interior tranquility, of providing for our common defense, of increasing the general well-being, and of securing the benefits of liberty to ourselves and to our posterity, decree, etc.

Here there is no chimerical creation, no *abstraction*, from which the citizens may demand everything. They expect nothing except from themselves and their own energy.

If I may be permitted to criticize the first words of our Constitution, I would remark that what I complain of is something more than a mere metaphysical allusion, as might seem at first sight.

I contend that this deification of Government has been in past times, and will be hereafter, a fertile source of calamities and revolutions.

There is the public on one side, Government on the other, considered as two distinct beings; the latter bound to bestow



upon the former, and the former having the right to claim from the latter, all imaginable human benefits. What will be the consequence?

In fact, Government is not impotent, and cannot be so. It has two hands—one to receive and the other to give; in other words, it has a rough hand and a smooth one. The activity of the second is necessarily subordinate to the activity of the first. Strictly, Government may take and not restore. This is evident, and may be explained by the porous and absorbing nature of its hands, which always retain a part, and sometimes the whole, of what they touch. But the thing that never was seen, and never will be seen or conceived, is, that Government can restore more to the public than it has taken from it. It is therefore ridiculous for us to appear before it in the humble attitude of beggars. It is radically impossible for it to confer a particular benefit upon any one of the individualities which constitute the community, without inflicting a greater injury upon the community as a whole.

Our requisitions, therefore, place it in a dilemma.

If it refuses to grant the requests made to it, it is accused of weakness, ill-will, and incapacity. If it endeavors to grant them, it is obliged to load the people with fresh taxes—to do more harm than good, and to bring upon itself from another quarter the general displeasure.

Thus, the public has two hopes, and Government makes two promises—*many benefits and no taxes*. Hopes and promises that, being contradictory, can never be realized.

Now, is not this the cause of all our revolutions? For between the Government, which lavishes promises which it is impossible to perform, and the public, which has conceived hopes which can never be realized, two classes of men interpose—the ambitious and the Utopians. It is circumstances which give these their cue. It is enough if these vassals of popularity cry out to the people—“The authorities are deceiving you; if we were in their place, we would load you with benefits and exempt you from taxes.”

And the people believe, and the people hope, and the people make a revolution!

No sooner are their friends at the head of affairs, than they are called upon to redeem their pledge. "Give us work, bread, assistance, credit, education, colonies," say the people; "and at the same time protect us, as you promised, from the taxes."

The new *Government* is no less embarrassed than the former one, for it soon finds that it is much easier to promise than to perform. It tries to gain time, for this is necessary for maturing its vast projects. At first, it makes a few timid attempts: on one hand it institutes a little elementary instruction; on the other, it makes a little reduction in the liquor tax (1850). But the contradiction is forever rearing its ugly head; if it would be philanthropic, it must raise taxes; if it neglects its taxing, it must abstain from being philanthropic.

These two promises are forever clashing with each other; it cannot be otherwise. To live upon credit, which is the same as exhausting the future, is certainly a present means of reconciling them: an attempt is made to do a little good now, at the expense of a great deal of harm in future. But such proceedings call forth the specter of bankruptcy, which puts an end to credit. What is to be done then? Why, then, the new Government takes a bold step; it unites all its forces in order to maintain itself; it smothers opinion, has recourse to arbitrary measures, repudiates its former maxims, declares that it is impossible to conduct the administration except at the risk of being unpopular; in short, it proclaims itself *governmental*. And it is here that other candidates for popularity are waiting for it. They exhibit the same illusion, pass by the same way, obtain the same success, and are soon swallowed up in the same gulf.

We had arrived at this point in February.<sup>2</sup> At this time, the illusion that is the subject of this article had made more headway than at any former period in the ideas of the people, in connection with Socialist doctrines. They expected, more firmly than ever, that *Government*, under a republican form, would open in grand style the source of benefits and close that of taxation. "We have often

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<sup>2</sup>This was written in 1849.

been deceived,” said the people; “but we will see to it ourselves this time, and take care not to be deceived again!”

What could the Provisional Government do? Alas! Just that which always is done in similar circumstances—make promises, and gain time. It did so, of course; and to give its promises more weight, it announced them publicly thus:

Increase of prosperity, diminution of labor, assistance, credit, free education, agricultural colonies, cultivation of waste land, and, at the same time, reduction of the tax on salt, liquor, letters, meat; all this shall be granted when the National Assembly meets.

The National Assembly meets, and, as it is impossible to realize two contradictory things, its task, its sad task, is to withdraw, as gently as possible, one after the other, all the decrees of the Provisional Government. However, in order somewhat to mitigate the cruelty of the deception, it is found necessary to negotiate a little. Certain engagements are fulfilled, others are, in a measure, begun, and therefore the new administration is compelled to contrive some new taxes.

Now I transport myself in thought to a period a few months hence and ask myself with sorrowful forebodings, what will come to pass when the agents of the new Government go into the country to collect new taxes upon legacies, revenues, and the profits of agricultural traffic? It is to be hoped that my presentiments may not be verified, but I foresee a difficult part for the candidates for popularity to play.

Read the last manifesto of the Montagnards—that which they issued on the occasion of the election of the President. It is rather long, but at length it concludes with these words: “*Government ought to give a great deal to the people, and take little from them.*” It is always the same tactics, or, rather, the same mistake.

“Government is bound to give gratuitous instruction and education to all the citizens.”

It is bound to give "A general and appropriate professional education, as much as possible adapted to the wants, the callings, and the capacities of each citizen."

It is bound "To teach every citizen his duty to God, to man, and to himself; to develop his sentiments, his tendencies, and his faculties; to teach him, in short, the scientific part of his labor; to make him understand his own interests, and to give him a knowledge of his rights."

It is bound "To place within the reach of all, literature and the arts, the patrimony of thought, the treasures of the mind, and all those intellectual enjoyments which elevate and strengthen the soul."

It is bound "To give compensation for every accident, from fire, inundation, etc., experienced by a citizen." (The *et cetera* means more than it says.)

It is bound "To attend to the relations of capital with labor, and to become the regulator of credit."

It is bound "To afford important encouragement and efficient protection to agriculture."

It is bound "To purchase railroads, canals, and mines; and, doubtless, to transact affairs with that industrial capacity which patronizes it."

It is bound "To encourage useful experiments, to promote and assist them by every means likely to make them successful. As a regulator of credit, it will exercise such extensive influence over industrial and agricultural associations as shall ensure them success."

Government is bound to do all this, in addition to the services to which it is already pledged; and further, it is always to maintain a menacing attitude toward foreigners; for, according to those who sign the program, "Bound together by this holy union, and by the precedents of the French Republic, we carry our wishes and hopes beyond the boundaries that despotism has placed between nations. The rights that we desire for ourselves, we desire for all those who are oppressed by the yoke of tyranny;

we desire that our glorious army should still, if necessary, be the army of liberty.”

You see that the *gentle hand* of Government—that good hand that gives and distributes, will be very busy under the government of the Montagnards. You think, perhaps, that it will be the same with the rough hand—that hand which dives into our pockets. Do not deceive yourselves. The aspirants after popularity would not know their trade if they had not the art, when they show the gentle hand, to conceal the rough one.

Their reign will assuredly be the jubilee of the tax-payers.

“It is superfluities, not necessities,” they say “that ought to be taxed.”

Truly, it will be a happy day when the treasury, for the sake of loading us with benefits, will content itself with curtailing our superfluities!

This is not all. The Montagnards intend that “taxation shall lose its oppressive character, and be only an act of fraternity.” Good heavens! I know it is the fashion to thrust fraternity in everywhere, but I did not imagine it would ever be put into the hands of the tax-gatherer.

To come to the details: Those who sign the program say, “We desire the immediate abolition of those taxes that affect the absolute necessities of life, such as salt, liquors, etc., etc.

“The reform of the tax on landed property, customs, and patents.

“Gratuitous justice—that is, the simplification of its forms, and reduction of its expenses,” (This, no doubt, has reference to stamps.)

Thus, the tax on landed property, customs, patents, stamps, salt, liquors, postage, all are included. These gentlemen have discovered the secret of giving an excessive activity to the gentle hand of Government, while they entirely paralyze its *rough hand*.

Well, I ask the impartial reader, is it not childishness, and worse, dangerous childishness? Is it not inevitable that we shall have revolution after revolution, if there is a determination never

to stop till this contradiction is realized: “To give nothing to Government and to receive much from it?”

If the Montagnards were to come into power, would they not become the victims of the means that they employed to take possession of it?

Citizens! In all times, two political systems have been in existence, and each may be maintained by good reasons. According to one of them, Government ought to do much, but then it ought to take much. According to the other, this twofold activity ought to be little felt. We have to choose between these two systems. But as regards the third system, which partakes of both the others, and which consists in exacting everything from Government, without giving it anything, it is chimerical, absurd, childish, contradictory, and dangerous. Those who proclaim it, for the sake of the pleasure of accusing all Governments of weakness, and thus exposing them to your attacks, are only flattering and deceiving you, while they are deceiving themselves.

For ourselves, we consider that Government is and ought to be nothing whatever but *common force* organized, not to be an instrument of oppression and mutual plunder among citizens; but, on the contrary, to secure to everyone his own, and to cause justice and security to reign.



## IV.

### WHAT IS MONEY?<sup>1</sup>

“**H**ateful money! Hateful money!” cried F——, the economist, despairingly, as he came from the Committee of Finance, where a project of paper money had just been discussed.

“What’s the matter?” I said. “What is the meaning of this sudden dislike to the most extolled of all the divinities of this world?”

F. Hateful money! Hateful money!

B. You alarm me. I hear peace, liberty, and life cried down, and Brutus went so far even as to say, “Virtue! Thou art but a name!” But what can have happened?

F. Hateful money! Hateful money!

B. Come, come, exercise a little philosophy. What has happened to you? Has Croesus been affecting you? Has Jones been playing you false? Or has Smith been libeling you in the papers?

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<sup>1</sup>First published in 1849.



F. I have nothing to do with Croesus; my character, by its insignificance, is safe from any slanders of Smith; and as to Jones——

B. Ah! Now I have it. How could I be so blind? You, too, are the inventor of a social reorganization—of the F—— system. In fact, your society is to be more perfect than that of Sparta, and, therefore all money is to be strictly banished from it. And the thing that troubles you is how to persuade your people to throw away the contents of their purses. What would you have? This is the rock on which all reorganizers split. Anyone could do wonders if he could contrive to overcome all resisting influences, and if all mankind would consent to become soft wax in his fingers; but men are resolved not to be soft wax; they listen, applaud, or reject and—go on as before.

F. Thank heaven I am still free from this fashionable mania. Instead of inventing social laws, I am studying those which it has pleased Providence to invent, and I am delighted to find them admirable in their progressive development. This is why I exclaim, “Hateful money! Hateful money!”

B. You are a disciple of Proudhon, then? Well, there is a very simple way for you to satisfy yourself. Throw your purse into the river, only reserving a small draft on the Bank of Exchange.

F. If I cry out against money, is it likely I should tolerate its deceitful substitute?

B. Then I have only one more guess to make. You are a new Diogenes, and are going to belabor me with a discourse on the contempt of riches.

F. Heaven preserve me from that! For riches, don’t you see, are not a little more or a little less money. They are bread for the hungry, clothes for the naked, fuel to warm you, oil to lengthen the day, a career open to your son, a certain portion for your daughter, a day of rest after fatigue, a cordial for the faint, a little assistance slipped into the hand of a poor man, a shelter from the storm, a diversion for a brain worn by thought, the incomparable pleasure of making those happy who are dear to us. Riches are education, independence, dignity, confidence, charity; they are

progress and civilization. Riches are the admirable civilizing result of two admirable agents, more civilizing even than riches themselves—labor and exchange.

B. Well! Now you seem to be singing the praises of riches, when, a moment ago, you were loading them with imprecations!

F. Why, don't you see that it was only the whim of an economist? I cry out against money, just because everybody confounds it, as you did just now, with riches, and that this confusion is the cause of errors and calamities without number. I cry out against it because its function in society is not understood, and very difficult to explain. I cry out against it because it jumbles all ideas, causes the means to be taken for the end, the obstacle for the cause, the alpha for the omega; because its presence in the world, though in itself beneficial, has nevertheless introduced a fatal notion, a perversion of principles, a contradictory theory which in a multitude of forms, has impoverished mankind and deluged the earth with blood. I cry out against it, because I feel that I am incapable of contending against the error to which it has given birth, otherwise than by a long and fastidious dissertation to which no one would listen. Oh! if I could only find a patient and right-thinking listener!

B. Well, it shall not be said that for want of a victim you remain in the state of irritation in which you now are. I am listening; speak, lecture, do not restrain yourself in any way.

F. You promise to take an interest?

B. I promise to have patience.

F. That is not much.

B. It is all that I can give. Begin, and explain to me, at first, how a mistake on the subject of money, if mistake there be, is to be found at the root of all economical errors?

F. Well, now, is it possible that you can conscientiously assure me that you have never happened to confound wealth with money?

B. I don't know; but, after all, what would be the consequence of such a confusion?

F. Nothing very important. An error in your brain, which would have no influence over your actions; for you see that, with respect to labor and exchange, although there are as many opinions as there are heads, we all act in the same way.

B. Just as we walk based on the same principle, although we are not agreed upon the theory of equilibrium and gravitation.

F. Precisely. A person who argued himself into the opinion that during the night our heads and feet changed places, might write very fine books upon the subject, but still he would walk about like everybody else.

B. So I think. Nevertheless, he would soon suffer the penalty of being too much of a logician.

F. In the same way, a man would die of hunger who, having decided that money is real wealth, should carry out the idea to the end. That is the reason that this theory is false, for there is no true theory but such as results from facts themselves, as manifested at all times and in all places.

B. I can understand, that practically, and under the influence of personal interest, the injurious effects of the erroneous action would tend to correct an error. But if that of which you speak has so little influence, why does it disturb you so much?

F. Because, when a man, instead of acting for himself, decides for others, personal interest, that ever watchful and sensible sentinel, is no longer present to cry out, "Stop! The responsibility is misplaced." It is Peter who is deceived, and John suffers; the false system of the legislator necessarily becomes the rule of action of whole populations. And observe the difference. When you have money, and are very hungry, whatever your theory about money may be, what do you do?

B. I go to a baker's and buy some bread.

F. You do not hesitate about using your money?

B. The only use of money is to buy what one wants.

F. And if the baker should happen to be thirsty, what does he do?

B. He goes to the wine merchant's, and buys wine with the money I have given him.

F. What! Is he not afraid he shall ruin himself?

B. The real ruin would be to go without eating or drinking.

F. And everybody in the world, if he is free, acts in the same manner?

B. Without a doubt. Would you have them die of hunger for the sake of saving up pennies?

F. So far from it, that I consider they act wisely, and I only wish that the theory was nothing but the faithful image of this universal practice. But, suppose now, that you were the legislator, the absolute king of a vast empire, where there were no gold mines.

B. Sounds good to me.

F. Suppose, again, that you were perfectly convinced of this,—that wealth consists solely and exclusively of money; to what conclusion would you come?

B. I should conclude that there was no other means for me to enrich my people, or for them to enrich themselves, but to draw away the money from other nations.

F. That is to say, to impoverish them. The first conclusion, then, to which you would arrive would be this—a nation can only gain when another loses.

B. This axiom has the authority of Bacon and Montaigne.

F. It is not the less sorrowful for that, for it implies that progress is impossible. Two nations, no more than two men, cannot prosper side by side.

B. It would seem that such is the result of this principle.

F. And as all men are ambitious to enrich themselves, it follows that all are desirous, according to a law of Providence, of ruining their fellow-creatures.

B. This is not Christianity, but it is political economy.

F. Such a doctrine is detestable. But, to continue, I have made you an absolute king. You must not be satisfied with reasoning; you must act. There is no limit to your power. How would you treat this doctrine—wealth is money?

B. It would be my endeavor to increase, incessantly, among my people the quantity of money.

F. But there are no mines in your kingdom. How would you set about it? What would you do?

B. I should do nothing: I should merely forbid, on pain of death, that a single dollar should leave the country.

F. And if your people should happen to be hungry as well as rich?

B. Never mind. In the system we are discussing, to allow them to export dollars would be to allow them to impoverish themselves.

F. So that, by your own confession, you would force them to act upon a principle equally opposite to that upon which you would yourself act under similar circumstances. Why so?

B. Because only my own hunger touches me, and the hunger of a nation does not touch legislators.

F. Well, I can tell you that your plan would fail, and that no superintendence would be sufficiently vigilant, when the people were hungry, to prevent the dollars from going out and the grain from coming in.

B. If so, this plan, whether erroneous or not, would effect nothing; it would do neither good nor harm, and therefore requires no further consideration.

F. You forget that you are a legislator. A legislator must not be disheartened at trifles, when he is making experiments on others. The first measure not having succeeded, you ought to take some other means of attaining your end.

B. What end?

F. You must have a bad memory. Why, that of increasing, in the midst of your people, the quantity of money, which is presumed to be true wealth.

B. Ah! To be sure; I beg your pardon. But then you see, as they say of music, a little is enough; and this may be said, I think, with still more reason, of political economy. I must consider. But really I don't know how to contrive——

F. Ponder it well. First, I would have you observe that your first plan solved the problem only negatively. To prevent the

dollars from going out of the country is the way to prevent the wealth from diminishing, but it is not the way to increase it.

B. Ah! Now I am beginning to see . . . the grain which is allowed to come in . . . a bright idea strikes me . . . the contrivance is ingenious, the means infallible; I am coming to it now.

F. Now, I, in turn, must ask you—to what?

B. Why, to a means of increasing the quantity of money.

F. How would you set about it, if you please?

B. Is it not evident that if the heap of money is to be constantly increasing, the first condition is that none must be taken from it?

F. Certainly.

B. And the second, that additions must constantly be made to it?

F. To be sure.

B. Then the problem will be solved, either negatively or positively; if on the one hand I prevent the foreigner from taking from it, and on the other I oblige him to add to it.

F. Better and better.

B. And for this there must be two simple laws made, in which money will not even be mentioned. By the one, my subjects will be forbidden to buy anything abroad; and by the other, they will be required to sell a great deal.

F. A well-advised plan.

B. Is it new? I must take out a patent for the invention.

F. You need do no such thing; someone has beaten you to it. But you must take care of one thing.

B. What is that?

F. I have made you an absolute king. I understand that you are going to prevent your subjects from buying foreign productions. It will be enough if you prevent them from entering the country. Thirty or forty thousand custom-house officers will do the trick.

B. It would be rather expensive. But what does that signify? The money they receive will not go out of the country.

F. True; and in this system it is the grand point. But to insure a sale abroad, how would you proceed?

B. I should encourage it by bounties, obtained by means of some good taxes laid upon my people.

F. In this case, the exporters, constrained by competition among themselves, would lower their prices in proportion, and it would be like making a present to the foreigner of the prizes or of the taxes.

B. Still, the money would not go out of the country.

F. Of course. That is understood. But if your system is beneficial, the governments of other countries will adopt it. They will make similar plans to yours; they will have their custom-house officers, and reject your products; so that with them, as with you, the heap of money may not be diminished.

B. I shall have an army and force down their barriers.

F. They will have an army and force down yours.

B. I shall arm vessels, make conquests, acquire colonies, and create consumers for my people, who will be obliged to eat our corn and drink our wine.

F. The other governments will do the same. They will dispute your conquests, your colonies, and your consumers; then on all sides there will be war, and all will be uproar.

B. I shall raise my taxes, and increase my custom-house officers, my army, and my navy.

F. The others will do the same.

B. I shall redouble my exertions.

F. The others will redouble theirs. In the meantime, we have no proof that you would succeed in selling to a great extent.

B. It is but too true. It would be well if the commercial efforts would neutralize each other.

F. And the military efforts also. And, tell me, are not these custom-house officers, soldiers, and vessels, these oppressive taxes, this perpetual struggle towards an impossible result, this permanent state of open or secret war with the whole world, are they not the logical and inevitable consequence of the legislators having adopted an idea that you admit is acted upon by no man who is his own master, that “wealth is money; and to increase the amount of money is to increase wealth?”

B. I grant it. Either the axiom is true, and then the legislator ought to act as I have described, although universal war should be the consequence; or it is false; and in this case men, in destroying each other, only ruin themselves.

F. And, remember, that before you became a king, this same axiom had led you by a logical process to the following maxims—That which one gains, another loses. The profit of one is the loss of the other—which maxims imply an intractable antagonism amongst all men.

B. It is only too certain. Whether I am a philosopher or a legislator, whether I reason or act upon the principle that money is wealth, I always arrive at one conclusion, or one result:—universal war. It is well that you pointed out the consequences before beginning a discussion upon it; otherwise, I should never have had the courage to follow you to the end of your economical dissertation, for, to tell you the truth, it is not much to my taste.

F. What do you mean? I was just thinking of it when you heard me grumbling against money! I was lamenting that my countrymen have not the fortitude to study what it is so important that they should know.

B. And yet the consequences are frightful.

F. The consequences! As yet I have only mentioned one. I might have told you of others still more fatal.

B. You make my hair stand on end! What other evils can have been caused to mankind by this confusion between money and wealth?

F. It would take me a long time to enumerate them. This doctrine is one of a very numerous family. The eldest, whose acquaintance we have just made, is called the prohibitive system; the next, the colonial system; the third, hatred of capital; the last and worst, paper money.

B. What! Does paper money proceed from the same error?

F. Yes, directly. When legislators, after having ruined men by war and taxes, persevere in their idea, they say to themselves, “If the people suffer, it is because there is not money enough. We must make some.” And as it is not easy to multiply the precious



metals, especially when the pretended resources of prohibition have been exhausted, they add, "We will make fictitious money, nothing is more easy, and then every citizen will have his pocket-book full of it, and they will all be rich."

B. In fact, this proceeding is more expeditious than the other, and then it does not lead to foreign war.

F. No, but it leads to domestic disaster.

B. You are a grumbler. Make haste and dive to the bottom of the question. I am quite impatient, for the first time, to know if money (or its sign) is wealth.

F. You will grant that men do not satisfy any of their wants immediately with coined dollars, or dollar bills. If they are hungry, they want bread; if naked, clothing; if they are ill, they must have remedies; if they are cold, they want shelter and fuel; if they would learn, they must have books; if they would travel, they must have conveyances—and so on. The riches of a country consist in the abundance and proper distribution of all these things. Hence you may perceive and rejoice at the falseness of this gloomy maxim of Bacon's, "What one people gains, another necessarily loses"—a maxim expressed in a still more discouraging manner by Montaigne, in these words: "The profit of one is the loss of another." When Shem, Ham, and Japhet divided amongst themselves the vast solitudes of this earth, they surely might each of them build, drain, sow, reap, and obtain improved lodging, food and clothing, and better education, perfect and enrich themselves—in short, increase their enjoyments, without causing a necessary diminution in the corresponding enjoyments of their brothers. It is the same with two nations.

B. There is no doubt that two nations, the same as two men, unconnected with each other, may, by working more, and working better, prosper at the same time, without injuring each other. It is not this that is denied by the axioms of Montaigne and Bacon. They only mean to say, that in the transactions that take place between two nations or two men, if one gains, the other must lose. And this is self-evident, as exchange adds nothing by itself to the mass of those useful things of which you were speaking; for if,

after the exchange, one of the parties is found to have gained something, the other will, of course, be found to have lost something.

F. You have formed a very incomplete, nay, a false idea of exchange. If Shem is located upon a plain that is fertile in corn, Japhet upon a slope adapted for growing the vine, Ham upon a rich pasturage—the distinction of their occupations, far from hurting any of them, might cause all three to prosper more. It must be so, in fact, for the distribution of labor, introduced by exchange, will have the effect of increasing the mass of corn, wine, and meat that is produced, and that is to be shared. How can it be otherwise, if you allow liberty in these transactions? From the moment that any one of the brothers should perceive that labor in company, as it were, was a permanent loss, compared to solitary labor, he would cease to exchange. Exchange brings with it its claim to our gratitude. The fact of its being accomplished proves that it is a good thing.

B. But Bacon's axiom is true in the case of gold and silver. If we admit that at a certain moment there exists in the world a given quantity, it is perfectly clear that one purse cannot be filled without another being emptied.

F. And if gold is considered to be riches, the natural conclusion is that displacements of fortune take place among men, but no general progress. It is just what I said when I began. If, on the contrary, you look upon an abundance of useful things, fit for satisfying our wants and our tastes, as true riches, you will see that simultaneous prosperity is possible. Money serves only to facilitate the transmission of these useful things from one to another, which may be done equally well with an ounce of rare metal like gold, with a pound of more abundant material as silver, or with a hundredweight of still more abundant metal, as copper. According to that, if a country like the United States had at its disposal as much again of all these useful things, its people would be twice as rich, although the quantity of money remained the same; but it would not be the same if there were double the money, for in that case the amount of useful things would not increase.

B. The question to be decided is whether the presence of a greater number of dollars has not the effect, precisely, of augmenting the sum of useful things?

F. What connection can there be between these two terms? Food, clothing, houses, fuel, all come from nature and from labor, from more or less skillful labor exerted upon a more or less liberal nature.

B. You are forgetting one great force, which is exchange. If you acknowledge that this is a force, as you have admitted that dollars facilitate it, you must also allow that they have an indirect power of production.

F. But I have added that a small quantity of rare metal facilitates transactions as much as a large quantity of abundant metal; from which it follows that a people is not enriched by being forced to give up useful things for the sake of having more money.

B. Thus, it is your opinion that the treasures discovered in California will not increase the wealth of the world?

F. I do not believe that, on the whole, they will add much to the enjoyments, to the real satisfactions of mankind. If the Californian gold merely replaces in the world that which has been lost and destroyed, it may have its use. If it increases the amount of money, it will depreciate it. The gold diggers will be richer than they would have been without it. But those who possess the gold at the moment of its depreciation, will obtain a smaller gratification for the same amount. I cannot look upon this as an increase, but as a reallocation of true riches, as I have defined them.

B. All that is very plausible. But you will not easily convince me that I am not richer (all other things being equal) if I have two dollars, than if I had only one.

F. I do not deny it.

B. And what is true of me is true of my neighbor, and of the neighbor of my neighbor, and so on, from one to another, all over the country. Therefore, if every citizen of the United States has more dollars, the United States must be more rich.

F. And here you fall into the common mistake of concluding that what affects one affects all, and thus confusing the individual with the general interest.

B. Why, what can be more conclusive? What is true of one, must be so of all. What are all, but a collection of individuals? You might as well tell me that every American could suddenly grow an inch taller, without the average height of all the Americans being increased.

F. Your reasoning is apparently sound, I grant you, and that is why the illusion it conceals is so common. However, let us examine it a little. Ten persons were gambling. For greater ease, they had adopted the plan of each taking ten chips, and against these they each placed a hundred dollars under a candlestick, so that each chip corresponded to ten dollars. After the game the winnings were adjusted, and the players drew from under the candlestick as many dollars as would represent the number of chips. Seeing this, one of them, a great arithmetician perhaps, but an indifferent reasoner, said: "Gentlemen, experience invariably teaches me that, at the end of the game, I find myself a gainer in proportion to the number of my chips. Have you not observed the same with regard to yourselves? Thus, what is true of me must be true of each of you, and what is true of each must be true of all. We should, therefore, all of us gain more, at the end of the game, if we all had more chips. Now, nothing can be easier; we have only to distribute twice the number of chips." This was done; but when the game was finished, and they came to adjust the winnings, it was found that the money under the candlestick had not been miraculously multiplied, according to the general expectation. They had to be divided accordingly, and the only result obtained (chimerical enough) was this: every one had, it is true, his double number of chips, but every chip, instead of corresponding to ten dollars, only represented five. Thus it was clearly shown that what is true of each is not always true of all.

B. I see; you are supposing a general increase of chips, without a corresponding increase of the sum placed under the candlestick.

F. And you are supposing a general increase of dollars, without a corresponding increase of things, the exchange of which is facilitated by these dollars.

B. Do you compare the dollars to chips?

F. In any other point of view, certainly not; but in the case you place before me, and which I have to argue against, I do. Consider one thing. In order that there be a general increase of dollars in a country, this country must have mines, or its commerce must be such as to give useful things in exchange for money. Apart from these two circumstances, a universal increase is impossible, the dollars only changing hands; and in this case, although it may be very true that each one, taken individually, is richer in proportion to the number of dollars that he has, we cannot draw the inference which you drew just now, because a dollar more in one purse implies necessarily a dollar less in some other. It is the same as with your comparison of the average height. If each of us grew only at the expense of others, it would be very true of each, taken individually, that he would be a taller man if he had the chance, but this would never be true of the whole taken collectively.

B. Be it so: but, in the two suppositions that you have made, the increase is real, and you must allow that I am right.

F. To a certain point, gold and silver have a value. To obtain this value, men consent to give other useful things that have a value also. When, therefore, there are mines in a country, if that country obtains from them sufficient gold to purchase a useful thing from abroad—a locomotive, for instance—it enriches itself with all the enjoyments that a locomotive can procure, exactly as if the machine had been made at home. The question is whether it spends more efforts in the former proceeding than in the latter? For if it did not export this gold, it would depreciate, and something worse would happen than what did sometimes happen in California and in Australia, for there, at least, the precious metals are used to buy useful things made elsewhere. Nevertheless, there is still a danger that they may starve on heaps of gold; as it would be if the law prohibited the exportation of gold. As to the second

supposition—that of the gold that we obtain by trade—it is an advantage, or the reverse, according as the country stands more or less in need of it, compared to its wants of the useful things that must be given up in order to obtain it. It is not for the law to judge of this, but for those who are concerned in it; for if the law should start upon this principle, that gold is preferable to useful things, whatever may be their value, and if it should act effectually in this sense, it would tend to put every country adopting the law in the curious position of having a great deal of cash to spend, and nothing to buy. It is the very same system that is represented by Midas, who turned everything he touched into gold, and was in consequence in danger of dying of starvation.

B. The gold that is imported implies that a useful thing is exported, and in this respect there is a satisfaction withdrawn from the country. But is there not a corresponding benefit? And will not this gold be the source of a number of new satisfactions, by circulating from hand to hand, and stimulating labor and industry, until at length it leaves the country in its turn, and causes the importation of some useful thing?

F. Now you have come to the heart of the question. Is it true that a dollar is the principal that causes the production of all the objects whose exchange it facilitates? It is very clear that a piece of coined gold or silver stamped as a dollar is only worth a dollar; but we are led to believe that this value has a particular character: that it is not consumed like other things, or that it is exhausted very gradually; that it renews itself, as it were, in each transaction; and that, finally this particular dollar has been worth a dollar as many times as it has accomplished transactions—that it is of itself worth all the things for which it has been successively exchanged; and this is believed because it is supposed that without this dollar these things would never have been produced. It is said the shoemaker would have sold fewer shoes, and consequently he would have bought less of the butcher; the butcher would not have gone so often to the grocer, the grocer to the doctor, the doctor to the lawyer, and so on.

B. No one can dispute that.

F. This is the time, then, to analyze the true function of money, independently of mines and importations. You have a dollar. What does it imply in your hands? It is, as it were, the witness and proof that you have, at some time or other, performed some labor, which, instead of turning to your advantage, you have bestowed upon society as represented by your client (employer or debtor). This coin testifies that you have performed a service for society, and moreover it shows the value of it. It bears witness, besides, that you have not yet obtained from society a real equivalent service, to which you have a right. To place you in a condition to exercise this right, at the time and in the manner you please, society, as represented by your client, has given you an acknowledgment, a title, a privilege from the republic, a token, a title to a dollar's worth of property in fact, which only differs from executive titles by bearing its value in itself; and if you are able to read with your mind's eye the inscriptions stamped upon it you will distinctly decipher these words: "Pay the bearer a service equivalent to what he has rendered to society, the value received being shown, proved, and measured by that which is represented by me." Now, you give up your dollar to me. Either my title to it is gratuitous, or it is a claim. If you give it to me as payment for a service, the following is the result: your account with society for real satisfactions is enumerated, balanced, and closed. You had rendered it a service for a dollar, you now restore the dollar for a service; as far as you are concerned you are clear. As for me, I am now in the position in which you were previously. It is I who am now in advance to society for the service which I have just rendered it in your person. I have become its creditor for the value of the labor that I have performed for you, and that I might have devoted to myself. It is into my hands then, that the title of this credit—the proof of this social debt—ought to pass. You cannot say that I am any richer; if I am entitled to receive, it is because I have given. Still less can you say that society is a dollar richer because one of its members has a dollar more and another has one less. For if you let me have this dollar gratis, it is certain that I shall be so much the richer, but you will be so much the

poorer for it; and the social fortune, taken in a mass, will have undergone no change, because as I have already said, this fortune consists in real services, in effective satisfactions, in useful things. You were a creditor to society; you made me a substitute to your rights, and it signifies little to society, which owes a service, whether it pays the debt to you or to me. This is discharged as soon as the bearer of the claim is paid.

B. But if we all had a great number of dollars we should obtain from society many services. Would not that be very desirable?

F. You forget that in the process that I have described, and that is a picture of the reality, we only obtain services from society because we have bestowed some upon it. Whoever speaks of a service speaks at the same time of a service received and returned, for these two terms imply each other, so that the one must always be balanced by the other. It is impossible for society to render more services than it receives, and yet a belief to the contrary is the chimera which is being pursued by means of the multiplication of coins, of paper money, etc.

B. All that appears very reasonable in theory, but in practice I cannot help thinking, when I see how things go, that if by some fortunate circumstance the number of dollars could be multiplied in such a way that each of us could see his little property doubled, we should all be more at our ease; we should all make more purchases, and trade would receive a powerful stimulus.

F. More purchases! And what should we buy? Doubtless, useful articles—things likely to procure for us substantial gratification—such as food, clothing, houses, books, pictures. You should begin, then, by proving that all these things create themselves; you must suppose the Mint melting ingots of gold that have fallen from the moon; or that the printing presses be put in action at the Treasury Department; for you cannot reasonably think that if the quantity of corn, cloth, ships, hats, and shoes remains the same, the share of each of us can be greater because we each go to market with a greater amount of real or fictitious money. Remember the players. In the social order the useful



things are what the players place under the candlestick, and the dollars that circulate from hand to hand are the chips. If you multiply the dollars without multiplying the useful things, the only result will be that more dollars will be required for each exchange, just as the players required more chips for each deposit. You have the proof of this in what passes for gold, silver, and copper. Why does the same exchange require more copper than silver, more silver than gold? Is it not because these metals are distributed in the world in different proportions? What reason have you to suppose that if gold were suddenly to become as abundant as silver, it would not require as much of one as of the other to buy a house?

B. You may be right, but I should prefer your being wrong. In the midst of the sufferings that surround us, so distressing in themselves, and so dangerous in their consequences, I have found some consolation in thinking that there was an easy method of making all the members of the community happy.

F. Even if gold and silver were true riches, it would be no easy matter to increase the amount of them in a country where there are no mines.

B. No, but it is easy to substitute something else. I agree with you that gold and silver can do but little service, except as a mere means of exchange. It is the same with paper money, bank notes, etc. Then, if we had all of us plenty of the latter, which it is so easy to create, we might all buy a great deal, and should lack nothing. Your cruel theory dissipates hopes, illusions, if you will, whose principle is assuredly very philanthropic.

F. Yes, like all other barren dreams formed to promote universal felicity. The extreme facility of the means that you recommend is quite sufficient to expose its hollowness. Do you believe that if it were merely needful to print bank notes in order to satisfy all our wants, our tastes, and desires, that mankind would have been contented to go on till now without having recourse to this plan? I agree with you that the discovery is tempting. It would immediately banish from the world not only plunder, in its diverse and deplorable forms, but even labor itself, except in the National

Printing Bureau. But we have yet to learn how greenbacks are to purchase houses, that no one would have built; corn, that no one would have raised; textiles that no one would have taken the trouble to weave.

B. One thing strikes me in your argument. You say yourself that if there is no gain, at any rate there is no loss in multiplying the instrument of exchange, as is seen by the instance of the players, who were entirely unaffected by a very mild deception. Why, then, refuse the philosopher's stone, which would teach us the secret of changing base material into gold, or what is the same thing, converting paper into money? Are you so blindly wedded to logic that you would refuse to try an experiment where there can be no risk? If you are mistaken, you are depriving the nation, as your numerous adversaries believe, of an immense advantage. If the error is on their side, no harm can result, as you yourself say, beyond the failure of a hope. The measure, excellent in their opinion, in yours is merely negative. Let it be tried, then, since the worst that can happen is not the realization of an evil, but the nonrealization of a benefit.

F. In the first place, the failure of a hope is a very great misfortune to any people. It is also very undesirable that the government should announce the abolition of several taxes on the faith of a resource that must infallibly fail. Nevertheless, your remark would deserve some consideration, if after the issue of paper money and its depreciation, the equilibrium of values should instantly and simultaneously take place in all things and in every part of the country. The measure would tend, as in my example of the players, to a universal mystification, in respect to which the best thing we could do would be to look at one another and laugh. But this is not in the course of events. The experiment has been made, and every time a government—be it King or Congress—has altered the money. . . .

B. Who says anything about altering the money?

F. Why, to force people to take in payment scraps of paper that have been officially baptized dollars, or to force them to receive, as weighing an ounce, a piece of silver that weighs only

half an ounce but that has been officially named a dollar, is the same thing, if not worse; and all the reasoning that can be made in favor of paper money has been made in favor of legal false-coined money. Certainly, looking at it as you did just now, and as you appear to be doing still, if it is believed that to multiply the instruments of exchange is to multiply the exchanges themselves as well as the things exchanged, it might very reasonably be thought that the most simple means was to mechanically divide the coined dollar, and to cause the law to give to the half the name and value of the whole. Well, in both cases, depreciation is inevitable. I think I have told you the cause. I must also inform you that this depreciation which, with paper might go on till it came to nothing, is effected by continually making dupes; and of these, poor people, simple persons, workmen and farmers are the chief.

B. I see; but stop a little. This dose of Political Economy is rather too strong for once.

F. Be it so. We are agreed, then, upon this point—that wealth is the mass of useful things we produce by labor; or, still better, the result of all the efforts we make for the satisfaction of our wants and tastes. These useful things are exchanged for each other according to the convenience of those to whom they belong. There are two forms in these transactions; one is called barter: in this case a service is rendered for the sake of receiving an equivalent service immediately. In this form transactions would be exceedingly limited. In order that they may be multiplied, and accomplished independently of time and space amongst persons unknown to each other, and by infinite fractions, an intermediate agent has been necessary—this is money. It gives occasion for exchange, which is nothing else but a complicated bargain. This is what has to be noted and understood. Exchange decomposes itself into two bargains, into two departments, sale and purchase—the reunion of which is needed to complete it. You sell a service, and receive a dollar—then, with this dollar you buy a service. Then only is the bargain complete; it is not till then that your effort has been followed by a real satisfaction. Evidently you only work to

satisfy the wants of others, that others may work to satisfy yours. So long as you have only the dollar that has been given you for your work, you are only entitled to claim the work of another person. When you have done so, the economical evolution will be accomplished as far as you are concerned, since you will only then have obtained, by a real satisfaction, the true reward for your trouble. The idea of a bargain implies a service rendered, and a service received. Why should it not be the same with exchange, which is merely a bargain in two parts? And here there are two observations to be made. First: It is a very unimportant circumstance whether there be much or little money in the world. If there is much, much is required; if there is little, little is wanted, for each transaction: that is all. The second observation is this: Because it is seen that money always reappears in every exchange, it has come to be regarded as the sign and the measure of the things exchanged.

B. Will you still deny that money is the sign of the useful things of which you speak?

F. A gold eagle is no more the sign of a barrel of flour, than a barrel of flour is the sign of a gold eagle.

B. What harm is there in looking at money as the sign of wealth?

F. The inconvenience is this: it leads to the idea that we have only to increase the sign, in order to increase the things signified; and we are in danger of adopting all the false measures that you took when I made you an absolute king. We should go still further. Just as in money we see the sign of wealth, we see also in paper money the sign of money; and thence conclude that there is a very easy and simple method of procuring for everybody the pleasures of fortune.

B. But you will not go so far as to dispute that money is the measure of values?

F. Yes, certainly, I do go as far as that, for that is precisely where the illusion lies. It has become customary to refer the value of everything to that of money. It is said, this is worth five, ten, or twenty dollars, as we say this weighs five, ten, or twenty grains;

this measures five, ten, or twenty yards; this ground contains five, ten, or twenty acres; and hence it has been concluded that money is the measure of values.

B. Well, it appears as if it was so.

F. Yes, it appears so, and it is this appearance I complain of, and not of the reality. A measure of length, size, surface, is a quantity agreed upon, and unchangeable. It is not so with the value of gold and silver. This varies as much as that of corn, wine, cloth, or labor, and from the same causes, for it has the same source and obeys the same laws. Gold is brought within our reach, just like iron, by the labor of miners, the investments of capitalists, and the combination of merchants and seamen. It costs more or less, according to the expense of its production, according to whether there is much or little in the market, and whether it is much or little in request; in a word, it undergoes the fluctuations of all other human productions. But one circumstance is singular, and gives rise to many mistakes. When the value of money varies, the variation is attributed by language to the other products for which it is exchanged. Thus, let us suppose that all the circumstances relative to gold remain the same, and that the wheat harvest has failed. The price of wheat will rise. It will be said, "The barrel of flour that was worth five dollars is now worth eight;" and this will be correct, for it is the value of the flour that has varied, and language agrees with the fact. But let us reverse the supposition: let us suppose that all the circumstances relative to flour remain the same, and that half of all the gold in existence is swallowed up; this time it is the price of gold that will rise. It would seem that we ought to say, "This gold eagle that was worth ten dollars is now worth twenty." Now, do you know how this is expressed? Just as if it was the other objects of comparison which had fallen in price, it is said: "Flour that was worth ten dollars is now only worth five."

B. It all comes to the same thing in the end.

F. No doubt; but only think what disturbances, what cheatings are produced in exchanges when the value of the medium varies without our becoming aware of it by a change in the name.

Coins or notes are issued bearing the name of five dollars, and which will bear that name through every subsequent depreciation. The value will be reduced a quarter, a half, but they will still be called coins or notes of five dollars. Clever persons will take care not to part with their goods unless for a larger number of notes—in other words, they will ask ten dollars for what they would formerly have sold for five; but simple persons will be taken in. Many years must pass before all the values will find their proper level. Under the influence of ignorance and custom, the day's pay of a country laborer will remain for a long time at a dollar while the salable price of all the articles of consumption around him will be rising. He will sink into destitution without being able to discover the cause. In short, since you wish me to finish, I must beg you, before we separate, to fix your whole attention upon this essential point: Once false money (under whatever form it may take) is put into circulation, depreciation will ensue, and manifest itself by the universal rise of everything that is capable of being sold. But this rise in prices is not instantaneous and equal for all things. Sharp men, brokers, and men of business, will not suffer by it; for it is their trade to watch the fluctuations of prices, to observe the cause, and even to speculate upon it. But little tradesmen, farm workers, and workmen will bear the whole weight of it. The rich man is not any the richer for it, but the poor man becomes poorer by it. Therefore, expedients of this kind have the effect of increasing the distance that separates wealth from poverty, of paralyzing the social tendencies that are incessantly bringing men to the same level, and it will require centuries for the suffering classes to regain the ground they have lost in their advance towards equality of condition.

B. Well, I've got to go. I will meditate on the lecture you have been giving me.

F. Have you finished your own dissertation? As for me, I have scarcely begun mine. I have not yet spoken of the popular hatred of capital, of gratuitous credit (loans without interest)—a most unfortunate notion, a deplorable mistake, which takes its rise from the same source.

B. What! Does this frightful commotion of the populace against capitalists arise from money being confounded with wealth?

F. It is the result of different causes. Unfortunately, certain capitalists have arrogated to themselves monopolies and privileges that are quite sufficient to account for this feeling. But when the theorists of democracy have wished to justify it, to systematize it, to give it the appearance of a reasonable opinion, and to turn it against the very nature of capital, they have had recourse to that false political economy at whose root the same confusion is always to be found. They have said to the people: "Take a dollar; put it under a glass; forget it for a year; then go and look at it, and you will be convinced that it has not produced ten cents, nor five cents, nor any fraction of a cent. Therefore, money produces no interest." Then, substituting for the word money, its pretended sign, capital, they have made it by their logic undergo this modification: "Then capital produces no interest." Then follows this series of consequences: "Therefore he who lends capital ought to obtain nothing from it; therefore he who lends you capital, if he gains something by it, is robbing you; therefore all capitalists are robbers; therefore wealth, which ought to serve gratuitously those who borrow it, belongs in reality to those to whom it does not belong; therefore there is no such thing as property, therefore everything belongs to everybody; therefore..."

B. This is very serious; the more so from the syllogism being so admirably formed. I should very much like to be enlightened on the subject. But, alas! I can no longer command my attention. There is such a confusion in my head of the words coin, money, services, capital, interest, that really I hardly know where I am. We will, if you please, resume the conversation another day.

F. In the meantime here is a little work entitled *Capital and Rent*. It may perhaps remove some of your doubts. Just look at it when you are in want of a little amusement.

B. To amuse me?

F. Who knows? One nail drives in another; one wearisome thing drives away another.

B. I have not yet made up my mind that your views on money and political economy in general are correct. But, from your conversation, this is what I have gathered: That these questions are of the highest importance; for peace or war, order or anarchy, the union or the antagonism of citizens, are at the root of the answer to them. How is it that in France and most other countries that regard themselves as highly civilized, a science that concerns us all so nearly, and the diffusion of which would have so decisive an influence upon the fate of mankind, is so little known? Is it that the State does not teach it sufficiently?

F. Not exactly. For, without knowing it, the State applies itself to loading everybody's brain with prejudices, and everybody's heart with sentiments favorable to the spirit of disorder, war, and hatred; so that, when a doctrine of order, peace, and comity presents itself, it is in vain that it has clearness and truth on its side; it cannot gain admittance.

B. Decidedly you are a frightful grumbler. What interest can the State have in mystifying people's intellects in favor of revolutions, and civil and foreign wars? There must certainly be a great deal of exaggeration in what you say.

F. Consider. At the period when our intellectual faculties begin to develop themselves, at the age when impressions are liveliest, when habits of mind are formed with the greatest ease—when we might look at society and understand it—in a word, as soon as we are seven or eight years old, what does the State do? It puts a blindfold over our eyes, takes us gently from the midst of the social circle that surrounds us, to plunge us, with our susceptible faculties, our impressible hearts, into the midst of Roman society. It keeps us there for ten years at least, long enough to make an indelible impression on the brain. Now observe, that Roman society is directly opposed to what our society ought to be. There they lived upon war; here we ought to hate war; there they hated labor; here we ought to live upon labor. There the means of subsistence were founded upon slavery and plunder; here they should be drawn from free industry. Roman society was organized in consequence of its principle. It necessarily admired



what made it prosper. There they considered as virtue what we look upon as vice. Its poets and historians had to exalt what we ought to despise. The very words liberty, order, justice, people, honor, influence, etc., could not have the same signification at Rome as they have, or ought to have, at Paris. How can you expect that all these youths who have been at university or conventual schools with Livy and Quintus Curtius for their catechism, will not understand liberty like the Gracchi, virtue like Cato, patriotism like Caesar? How can you expect them not to be factious and warlike? How can you expect them to take the slightest interest in the mechanism of our social order? Do you think that their minds have been prepared to understand it? Do you not see that in order to do so they must get rid of their present impressions, and receive others entirely opposed to them?

B. What do you conclude from that?

F. I will tell you. The most urgent necessity is not that the State should teach, but that it should allow education. All monopolies are detestable, but the worst of all is the monopoly of education.

## V.

# CAPITAL AND INTEREST

### 1. INTRODUCTION

**M**y object in this treatise is to examine the real nature of the Interest on Capital, for the purpose of proving that it is lawful and explaining why it should be perpetual. This may appear a radical proposition, and yet, I confess, I am more afraid I may weary the reader by a series of mere truisms. But it is no easy matter to avoid this danger, when the facts with which we have to deal are known to every one by personal, familiar, and daily experience.

But then you will say, "What is the use of this treatise? Why explain what everybody knows?"

But, although this problem appears at first sight so very simple, there is more in it than you might suppose. I shall endeavor to prove this by an example. Thomas lends a tool today that will be entirely consumed in a week, yet the investment will not produce an unchanging amount of interest to Thomas and his heirs, through all eternity. Reader, can you honestly say that you understand the reason of this?

It would be a waste of time to seek any satisfactory explanation from the writings of economists. They have not thrown much light upon the reasons of the existence of interest. For this they are not to be blamed; for at the time they wrote, its lawfulness was not called in question. Now, however, times are altered; the case is different. Men who consider themselves to be in advance of their times, have organized an active crusade against capital and interest; it is the productiveness of capital that they are attacking; not certain abuses in the administration of it, but the principle itself.

Some years ago a journal was established in Paris by Mr. Proudhon especially to promote this crusade, which for a time is reported to have had a very large circulation. The first number that was issued contained the following declaration of its principles: "The productiveness of capital, which is condemned by Christianity under the name of usury, is the true cause of misery, the true origin of destitution, the eternal obstacle to the establishment of a true Republic."

Another French journal, *La Ruche Populaire*, also thus expresses its views on this subject: "But above all, labor ought to be free; that is, it ought to be organized in such a manner *that money-lenders and owners or controllers of capital should not be paid* for granting the opportunity to labor, and for which privilege they charge as high a price as possible." The only thought that I notice here, is that expressed by the words in the italics, which imply a denial of the right to charge interest.

A noted leader among the French Socialists, Mr. Thoré, also thus expresses himself:

The revolution will always have to be recommenced, so long as we occupy ourselves with consequences only, without having the logic or the courage to attack the principle itself. This principle is capital, false property, interest, and usury, which by old custom is made to weigh upon labor.

Ever since the aristocrats invented the incredible fiction, *that capital possesses the power of reproducing itself*, the workers have been at the mercy of the idle.

At the end of a year, will you find an additional dollar in a bag of one hundred dollars? At the end of fourteen years will your dollars have doubled in your bag?

Will a work of industry or of skill produce another, at the end of fourteen years?

Let us begin, then, by demolishing this fatal fiction.

I have quoted the above merely for the sake of establishing the fact that many persons consider the productiveness of capital a false, a fatal, and an iniquitous principle. But quotations are superfluous; it is well known that large numbers of poor people attribute their poverty to what they call the *tyranny of capital*; meaning thereby the unwillingness of the owners of capital to allow others to use it without security for its safe return and compensation for its use.

I believe there is not a man in the world who is aware of the whole importance of this question:

“Is the interest of capital natural, just, and lawful, and as useful to the borrower who pays, as to the lender who receives?”

You answer, No; I answer, Yes. Then we differ entirely; but it is of the utmost importance to discover which of us is in the right, otherwise we shall incur the danger of making a false solution of the question, a matter of opinion. If the error is on my side, however, the evil would not be so great. It must be inferred that I know nothing about the true interests of the masses, or the march of human progress; and that all my arguments are but as so many grains of sand, by which the train of the revolution will certainly not be arrested.

But if, on the contrary, men like Proudhon and Thoré in France (John Ruskin in England, and others in the United States) are deceiving themselves, it follows that they are leading the people astray—that they are showing them evil where it does not exist; and thus giving a false direction to their ideas, to their antipathies, to their dislikes, and to their attacks. It follows that the misguided people are rushing into a horrible and pointless struggle, in which victory would be more fatal than defeat; since according to this supposition, the result would be the realization

of universal evils, the destruction of every means of emancipation, the consummation of its own misery.

This is just what Mr. Proudhon has acknowledged, with perfect good faith. "The foundation stone," he told me, "of my system is the *availability of free credit*. If I am mistaken in this, Socialism is a vain dream." I add, it is a dream in which the people are tearing themselves to pieces. Will it, therefore, be a cause for surprise if, when they awake, they find themselves mangled and bleeding? Such a danger as this is enough to justify me fully, if, in the course of the discussion, I allow myself to be led into some trivialities and some prolixity.

## 2. OUGHT CAPITAL TO PRODUCE INTEREST?

I address this treatise to working men, more especially to those who have enrolled themselves under the banner of Socialist democracy. I proceed to consider these two questions:

First. Is it consistent with the nature of things, and with justice, that capital should bear interest?

Second. Is it consistent with the nature of things, and with justice, that the interest of capital should be perpetual?

The working men everywhere will certainly acknowledge that a more important subject could not be discussed. Since the world began, it has been allowed, at least in part, that capital ought to produce interest. But latterly it has been affirmed that herein lies the very social error that is the cause of pauperism and inequality; it is, therefore, most essential to know now on what ground we stand.

For if levying interest from capital is a sin, the workers have a right to revolt against social order, as it exists. It is in vain to tell them that they ought to have recourse to legal and peaceful means: it would be a hypocritical recommendation. When on the one side there is a strong man, poor, and a victim of robbery—on the other, a weak man, but rich, and a robber—it is ridiculous that we should say to the former, with a hope of persuading him, "Wait till your oppressor voluntarily renounces oppression, or till

it shall cease of itself." This cannot be; and those who tell us that capital is by nature unproductive ought to know that they are provoking a terrible and disastrous struggle.

If, on the contrary, the interest of capital is natural, lawful, consistent with the general good, as favorable to the borrower as to the lender, the economists who deny it, the writers who grieve over this pretended social wound, are leading the workmen into a senseless and unjust effort which can have no other issue than the misfortune of all. In fact, they are arming labor against capital. So much the better, if these two powers are really antagonistic; and may the struggle soon be ended! But, if they are in harmony, the struggle is the greatest evil that can be inflicted on society. You see then, workmen, that there is not a more important question than this: "Is the interest of capital rightful or not?" In the former case, you must immediately renounce the struggle to which you are being urged; in the second, you must carry it on resolutely, and to the end.

Productiveness of capital—perpetuity of interest. These are difficult questions. I must endeavor to make myself clear. And for that purpose I shall have recourse to example rather than to demonstration; or rather, I shall place the demonstration in the example. I begin by acknowledging that, at first sight, it may appear strange that capital should pretend to a remuneration, and above all to a perpetual remuneration. You will say, "here are two men. One of them works from morning till night, from one year's end to another; and if he consumes all that he has gained, even by superior energy, he remains poor. When Christmas comes he is in no better condition than he was at the beginning of the year, and has no other prospect but to begin again. The other man does nothing, either with his hands or his head; or at least, if he makes use of them at all, it is only for his own pleasure; it is allowable for him to do nothing, for he has an income. He does not work, yet he lives well; he has everything in abundance; delicate dishes, sumptuous furniture, elegant equipages; nay, he even consumes, daily, things that the workers have been obliged to produce by the sweat of their brow, for these things do not make themselves;

and, as far as he is concerned, he has had no hand in their production. It is the workmen who have caused this corn to grow, decorated this furniture, woven these carpets; it is our wives and daughters who have spun, cut out, sewed, and embroidered these materials. We work, then, for him and for ourselves; for him first, and then for ourselves, if there is anything left.

“But here is something more striking still. If the former of these two men, the worker, consumes within the year any profit that may have been left him in that year, he is always at the point from which he started, and his destiny condemns him to move incessantly in a perpetual circle, and in a monotony of exertion. Labor, then, is rewarded only once. But if the other, the ‘gentleman,’ consumes his yearly income in the year, he has, the year after, in those which follow, and through all eternity, an income always equal, inexhaustible, *perpetual*. Capital, then, is remunerated, not only once or twice, but an indefinite number of times! So that, at the end of a hundred years, a family that has placed 20,000 francs, at five percent will have had 100,000 francs; and this will not prevent them from having 100,000 francs more in the following century. In other words, for 20,000 francs, which represents its labor, it will have levied, in two centuries, a tenfold value on the labor of others. In this social arrangement is there not a monstrous evil to be reformed? And this is not all. If it should please this family to curtail its enjoyments a little—to spend, for example, only 900 francs, instead of 1,000—it may, without any labor, without any other trouble beyond that of investing 100 francs a year, increase its capital and its income in such rapid progression that it will soon be in a position to consume as much as a hundred families of industrious workmen. Does not all this go to prove that society itself has in its bosom a hideous cancer, which ought to be eradicated at the risk of some temporary suffering?”

These are, it appears to me, the sad and unsettling reflections that must be excited in your minds by the active and notorious crusade that is being carried on against capital and interest. On the other hand, there are moments in which, I am convinced,

doubts are awakened in your minds, and scruples in your conscience. You say to yourselves sometimes: "But to assert that capital ought not to produce interest is to say that he who has created tools, or materials, or provisions of any kind, ought to yield them up without compensation. Is that just? And then, if it is so, who would lend these tools, these materials, these provisions? Who would take care of them? Who would even create them? Everyone would consume his proportion, and the human race would not advance a step. Capital would be no longer accumulated, since there would be no interest in accumulating it. It would become exceedingly scarce. This would be a most peculiar step for the obtaining of loans gratuitously! A peculiar means of improving the condition of borrowers, to make it impossible for them to borrow at any price! What would become of labor itself? For there will be no money advanced, and not one single kind of labor can be mentioned, not even hunting, that can be pursued without capital of some kind. And, as for ourselves, what would become of us? What! We are not to be allowed to borrow, in order to work in the prime of life, nor to lend, that we may enjoy repose in its decline? The law will rob us of the prospect of laying by a little property, because it will prevent us from gaining any advantage from it. It will deprive us of all stimulus to save at the present time, and of all hope of repose for the future. It is useless to exhaust ourselves with fatigue; we must abandon the idea of leaving our sons and daughters a little property, since the new views render it useless, for we should become traffickers in the toil of men if we were to lend it at interest. Alas! the world that these persons would open before us, as an imaginary good, is still more dreary and desolate than that which they condemn, for hope, at any rate, is not banished from the latter." Thus, in all respects, and in every point of view, the question is a serious one. Let us hasten to arrive at a solution.

The French civil code has a chapter entitled, "On the manner of transmitting property." When a man by his labor has made some useful things—in other words, when he has created a value—it can only pass into the hands of another by one of the



following modes: *as a gift, by the right of inheritance, by exchange, loan, or theft*. One word upon each of these, except the last, although it plays a greater part in the world than we may think. A *gift* needs no definition. It is essentially voluntary and spontaneous. It depends exclusively upon the giver, and the receiver cannot be said to have any right to it. Without a doubt, morality and religion make it a duty for men, especially the rich, to deprive themselves voluntarily of that which they possess in favor of their less fortunate brethren. But this is an entirely moral obligation. If it were to be asserted on principle, admitted in practice, sanctioned by law, that every man has a right to the property of another, the gift would have no merit—charity and gratitude would be no longer virtues. Besides, such a doctrine would suddenly and universally arrest labor and production, as severe cold congeals water and suspends animation; for who would work if there was no longer to be any connection between labor and the satisfying of our wants? Political economy has not considered the matter of gifts. This has led people to conclude that it is opposed to such things and that it is therefore a science devoid of heart. This is a ridiculous accusation. That science which treats of the laws resulting from the reciprocity of services had no business to inquire into the consequences of generosity with respect to him who receives, nor into its effects, perhaps even more beneficial, on him who gives. Such considerations belong evidently to the science of morals. We must allow the sciences to have limits; above all, we must not accuse them of denying or undervaluing what they look upon as foreign to their department.

*The right of inheritance*, against which so much has been objected of late, is one of the forms of *gift*, and assuredly the most natural of all. That which a man has produced, he may consume, exchange, or give. What can be more natural than that he should give it to his children? It is this power, more than any other, that inspires him with the drive to labor and to save. Do you know why the principle of right of inheritance is thus called in question? Because it is imagined that the property thus transmitted is plundered from the masses. This is a fatal error. Political economy

demonstrates, in the most peremptory manner, that all value produced is a creation which does no harm to any person whatever. For that reason it may be consumed, and, still more, transmitted, without hurting anyone; but I shall not pursue these reflections, which do not belong to the subject.

*Exchange* is the principal department of political economy, because it is by far the most frequent method of transmitting property, according to the free and voluntary acquiescence in the laws and effects of which this science treats.

Properly speaking, exchange is the reciprocity of services. The parties say between themselves, "Give me this, and I will give you that" or, "Do this for me, and I will do that for you." It is well to remark (for this will throw a new light on the notion of value) that the second form is always implied in the first. When it is said, "Do this for me, and I will do that for you," an exchange of service for service is proposed. Again, when it is said, "Give me this, and I will give you that," it is the same as saying, "I yield to you what I have done, yield to me what you have done." The labor is past, instead of present; but the exchange is not the less governed by the comparative valuation of the two services; so that it is quite correct to say that the principle of value is in the services rendered and received on account of the products exchanged, rather than in the products themselves.

In reality, services are scarcely ever exchanged directly. There is a medium that is termed *money*. Paul has completed a coat, for which he wishes to receive a little bread, a little wine, a little oil, a visit from a doctor, a ticket for the play, etc. The exchange cannot be effected in kind, so what does Paul do? He first exchanges his coat for some money, which is called selling; then he exchanges this money again for the things he wants, which is called purchasing; and now, only, has the reciprocity of service completed its circuit; now, only, the labor and the compensation are balanced in the same individual—"I have done this for society, it has done that for me." In a word, it is only now that the exchange is actually accomplished. Thus, nothing can be more correct than this observation of J.B. Say: "Since the introduction

of money, every exchange is resolved into two elements, *sale* and *purchase*. It is the reunion of these two elements which renders the exchange complete.”

We must note, also, that the constant appearance of money in every exchange has overturned and misled all our ideas: men have ended in thinking that money was true riches, and that to multiply it was to multiply services and products. Hence the protectionist system; hence paper money; hence the celebrated aphorism, “What one gains the other loses;” and of the errors that have impoverished the earth, and imbrued it with blood. After much investigation it has been found, that in order to make the two services exchanged of equivalent value, and in order to render the exchange *equitable*, the best means was to allow it to be free. However plausible at first sight, the intervention of the State might be, it was soon perceived that it is always oppressive to one or other of the contracting parties. When we look into these subjects, we are always compelled to reason upon this maxim, that *equal value* results from liberty. We have, in fact, no other means of knowing whether, at a given moment, two services are of the same value but that of examining whether they can be readily and freely exchanged. Allow the State, which is the same thing as force, to interfere on one side or the other, and from that moment all the means of evaluation will be complicated and entangled, instead of becoming clear. It ought to be the part of the State to prevent, and, above all, to repress artifice and fraud; that is, to secure liberty, and not to violate it. I have enlarged a little upon exchange, although loan is my principal object: my excuse is that I conceive that there is in a loan an actual exchange, an actual service rendered by the lender, and that makes the borrower liable to an equivalent service—two services whose comparative value can only be appreciated, like that of all possible services, in freedom. Now, if it is so, the perfect rightfulness of what is called house-rent, farm-rent, interest, will be explained and understood. Let us consider what is involved in a *loan*.

Suppose two men exchange two services or two objects, whose equal value is beyond all dispute. Suppose, for example,

Peter says to Paul, "Give me ten ten-cent pieces, I will give you a silver dollar." We cannot imagine an equal value more unquestionable. When the bargain is made, neither party has any claim upon the other. The exchanged services are equal. Then it follows that if one of the parties wishes to introduce into the bargain an additional clause advantageous to himself but unfavorable to the other party, he must agree to a second clause, which shall reestablish the equilibrium, and the law of justice. It would be absurd to deny the justice of a second clause of compensation. This granted, we will suppose that Peter, after having said to Paul, "Give me ten ten-cent pieces, I will give you a dollar," adds, "You shall give me the ten ten-cent pieces *now*, and I will give you the silver dollar *in a year*;" it is very evident that this new proposition alters the claims and advantages of the bargain; that it alters the proportion of the two services. Does it not appear plainly enough, in fact, that Peter asks of Paul a new and an additional service; one of a different kind? Is it not as if he had said, "Render me the service of allowing me to use for my profit, for a year, the dollar that belongs to you, and that you might have used for yourself?" And what good reason have you to maintain that Paul is bound to render this especial service gratuitously; that he has no right to demand anything more in consequence of this requisition; that the State ought to interfere to force him to submit? Is it not incomprehensible that the economist, who preaches such a doctrine to the people, can reconcile it with his principle of the *reciprocity of service*? Here I have introduced money; I have been led to do so by a desire to place, side by side, two objects of exchange, of a perfect and indisputable equality of value. I was anxious to be prepared for objections; but, on the other hand, my demonstration would have been more striking still if I had illustrated my principle by an agreement for exchanging of services or commodities directly.

Suppose, for example, a house and a vessel of a value so perfectly equal that their proprietors are disposed to exchange them even-handed, without excess or abatement. In fact let the bargain be settled by a lawyer. At the moment of each taking possession,

the ship-owner says to the house-owner, "Very well; the transaction is completed, and nothing can prove its perfect equity better than our free and voluntary consent. Our conditions thus fixed, I will propose to you a little practical modification. You shall let me have your house today, but I will not put you in possession of my ship for a year; and the reason I make this demand of you is that during this year of *delay*, I wish to use the vessel." That we may not be embarrassed by considerations relative to the deterioration of the thing lent, I will suppose the ship-owner to add, "I will engage, at the end of the year, to hand over to you the vessel in the state in which it is today." I ask of every candid man, if the house-owner has not a right to answer, "The new clause that you propose entirely alters the proportion or the equal value of the exchanged services. By it I shall be deprived for the space of a year, both at once of my house and of your vessel. By it you will make use of both. If in the absence of this clause the bargain was just, for the same reason the clause is injurious to me. It stipulates a loss to me, and a gain to you. You are requiring of me a new service; I have a right to refuse, or to require of you, as a compensation, an equivalent service." If the parties are agreed upon this compensation, the principle of which is incontestable, we can easily distinguish two transactions in one, two exchanges of service in one. First, there is the exchange of the house for the vessel; after this, there is the delay granted by one of the parties, and the compensation corresponding to this delay yielded by the other. These two new services take the generic and abstract names of *credit* and *interest*. But names do not change the nature of things; and I defy any one to disprove that there exists here, when all is done, a service for a service, or a reciprocity of services. To say that one of these services does not challenge the other, to say that the first ought to be rendered gratuitously, without injustice, is to say that injustice consists in the reciprocity of service—that justice consists in one of the parties giving and not receiving, which is a contradiction in terms.

But to give an idea of interest and its mechanism, allow me to make use of two or three anecdotes. But first, I must say a few words upon capital.

### 3. WHAT IS CAPITAL?

There are some persons who imagine that capital is money, and this is precisely the reason why they deny its productiveness; for, as John Ruskin and others say, dollars are not endowed with the power of reproducing themselves. But it is not true that capital and money are the same thing.

Before the discovery of the precious metals, there were capitalists in the world; and I venture to say that at that time, as now, everybody was a capitalist, to a certain extent.

What is capital, then? It is composed of three things:

First, of the materials upon which men operate, when these materials have already a value communicated by human effort, which has bestowed upon them the property of exchangeability—wool, flax leather, silk, wood, etc.

Second, instruments that are used for working—tools, machines, ships, carriages, etc.

Third, provisions that are consumed during labor—victuals, fabrics, houses, etc.

Without these things the labor of man would be unproductive and almost void; yet these very things have required much work, especially at first. This is the reason that so much value has been attached to the possession of them, and also that it is perfectly lawful to exchange and to sell them, to make a profit off them if used, to gain remuneration from them if lent. Now for my anecdotes.

### 4. THE SACK OF CORN

William, in other respects as poor as Job, and obliged to earn his bread by day-labor, became, nevertheless, by some inheritance, the owner of a fine piece of uncultivated land. He was exceedingly anxious to cultivate it. "Alas!" said he, "to make

ditches, to raise fences, to break the soil, to clear away the brambles and stones, to plow it, to sow it, might bring me a living in a year or two; but certainly not today, or tomorrow. It is impossible to set about farming it, without previously saving some provisions for my subsistence until the harvest; and I know by experience that preparatory labor is indispensable in order to render present labor productive.”

The good William was not content with making these reflections. He resolved to work by the day, and to save something from his wages to buy a spade and a sack of corn, without which things he must give up his agricultural projects. He acted so well, was so active and steady, that he soon saw himself in possession of the wished-for sack of corn. “I shall have enough to live upon till my field is covered with a rich harvest.” Just as he was starting, David came to borrow his accumulation of food of him. “If you will lend me this sack of corn,” said David, “you will do me a great service; for I have some very lucrative work in view, which I cannot possibly undertake for want of provisions to live upon till it is finished.” “I was in the same situation,” answered William; “and if I have now secured bread for several months, it is at the expense of my arms and my stomach. Upon what principle of justice can it be devoted to the carrying out of your enterprise instead of *mine*?”

You may well believe that the bargain was a long one. However, it was finished at length, and on these conditions:

First—David promised to give back, at the end of the year, a sack of corn of the same quality, and of the same weight, without missing a single grain. “This first clause is perfectly just,” said he, “for without it William would *give*, and not *lend*.”

Second—He further engaged to deliver *one-half bushel of corn for every five bushels originally borrowed, when the loan was returned*. “This clause is no less just than the other,” thought he; “for unless William would do me a service without compensation, he would inflict upon himself a privation—he would renounce his cherished enterprise—he would enable me to accomplish mine—he would cause me to enjoy for a year the fruits of his savings, and

all this gratuitously. Since he delays the cultivation of his land, since he enables me to prosecute a lucrative employment, it is quite natural that I should let him partake, in a certain proportion, of the profits that I shall gain by the sacrifice he makes of his own profits.”

On his side, William, who was something of a scholar, made this calculation: “Since by virtue of the first clause, the sack of corn will return to me at the end of a year,” he said to himself, “I shall be able to lend it again; it will return to me at the end of the second year; I may lend it again, and so on, to all eternity. However, I cannot deny that it will have been eaten long ago.”

It is singular that I should be perpetually the owner of a sack of corn, although the one I have lent has been consumed forever. But this is explained thus: It will be consumed in the service of David. It will enable David to produce a greater value; and consequently, David will be able to restore me a sack of corn, or the value of it, without having suffered the slightest injury; but on the contrary, having gained from the use of it. And as regards myself, this value ought to be my property, as long as I do not consume it myself. If I had used it to clear my land, I should have received it again in the form of a fine harvest. Instead of that, I lend it, and shall recover it in the form of repayment.

“From the second clause, I gain another piece of information. At the end of the year I shall be in possession of one bushel of corn for every ten that I may lend. If, then, I were to continue to work by the day, and to save part of my wages, as I have been doing, in the course of time I should be able to lend two sacks of corn; then three; then four; and when I should have gained a sufficient number to enable me to live on these additions of a half a bushel over and above and on account of every ten bushels lent, I shall be at liberty to take a little repose in my old age. But how is this? In this case, shall I not be living at the expense of others? No, certainly, for it has been proved that in lending I perform a service; I make more profitable the labor of my borrowers, and only deduct a trifling part of the excess of production, due to my lendings and savings. It is a marvelous thing that a man may thus



realize a leisure that injures no one, and for which he cannot be reproached without injustice.”

## 5. THE HOUSE

Again, Thomas had a house. In building it, he had extorted nothing from any one whatever. He obtained it by his own personal labor, or, which is the same thing, by the labor of others justly rewarded. His first care was to make a bargain with a handyman, in virtue of which, on condition of the payment of a hundred dollars a year, the latter engaged to keep the house in constant good repair. Thomas was already congratulating himself on the happy days he hoped to spend in this pleasant home, which our laws declared to be his own exclusive property. But Richard wished to use it also as his residence.

“How can you think of such a thing?” said Thomas to Richard. “It is I who have built it; it has cost me ten years of painful labor, and now you would come in and take it for your enjoyment?” They agreed to refer the matter to judges. They chose no profound economists—there were none such in the country. But they found some just and sensible men; it all comes to the same thing; political economy, justice, good sense, are all the same thing. And here is the decision made by the judges: If Richard wishes to occupy Thomas’s house for a year, he is bound to submit to three conditions. The first is to quit at the end of the year, and to restore the house in good repair, saving the inevitable decay resulting from mere duration. The second, to refund to Thomas the one hundred dollars Thomas pays annually to the handyman to repair the injuries of time; for these injuries taking place while the house is in the service of Richard, it is perfectly just that he should bear the expense. The third, that he should render to Thomas a service equivalent to that which he receives. And as to what shall constitute this equivalence of services, this must be left for Thomas and Richard to mutually agree upon.

## 6. THE PLANE

One further illustration to the same ethic. A very long time ago there lived in a poor village, a carpenter, who was a philosopher, as all my heroes are in their way. James worked from morning till night with his two strong arms, but his brain was not idle for all that. He was fond of reviewing his actions, their causes, and their effects. He sometimes said to himself, "With my hatchet, my saw, and my hammer, I can make only coarse furniture, and can only get the pay for such. If I only had a plane, I should please my customers more, and they would pay me more. But this is all right; I can only expect services proportioned to those which I render myself. Yes! I am resolved, I will make myself a *plane*."

However, just as he was setting to work, James reflected further: "I work for my customers 300 days in the year. If I give ten to making my plane, supposing it lasts me a year, only 290 days will remain for me to make my furniture. Now, in order that I be not the loser in this matter, I must earn henceforth, with the help of the plane, as much in 290 days as I now do in 300. I must even earn more; for unless I do so, it would not be worth my while to venture upon any innovations," James began to calculate. He satisfied himself that he should sell his finished furniture at a price which would amply compensate him for the ten days devoted to the plane; and when no doubt remained in his mind on this point, he set to work. I beg the reader to note, that the power that exists in the tool to increase the productiveness of labor, is the basis for the successful solution of the experiment that James the carpenter proposed to make.

At the end of ten days, James had in his possession an admirable plane, which he valued all the more for having made it himself. He danced for joy—for like the girl with her basket of eggs, he reckoned in anticipation all the profits he expected to derive from the ingenious instrument; but, more fortunate than she, he was not reduced to the necessity of saying good-by, when the eggs were smashed, to the expected calf, cow, pig, as well as

the eggs, together. He was building his fine castles in the air, when he was interrupted by his acquaintance William, a carpenter in the neighboring village. William having admired the plane, was struck with the advantages that might be gained from it. He said to James:

W. You must do me a service.

J. What service?

W. Lend me the plane for a year.

As might be expected, James at this proposal did not fail to cry out, "How can you think of such a thing, William? But if I do you this service, what will you do for me in return?"

W. Nothing. Don't you know that John Ruskin says a loan ought to be gratuitous? Don't you know that Proudhon and other notable writers and friends of the laboring classes assert that capital is naturally unproductive? Don't you know that all the new school of liberal advanced writers say we ought to have perfect fraternity among men? If you only do me a service for the sake of receiving one from me in return, what merit would you have?

J. William, my friend, fraternity does not mean that all the sacrifices are to be on one side; if so, I do not see why they should not be on yours. Whether a loan should be gratuitous I don't know but I do know that if I were to lend you my plane for a year it would be giving it you. To tell you the truth, that was not what I made it for.

W. Well, we will say nothing about the modern maxims discovered by the friends of the working classes. I ask you to do me a service; what service do you ask me in return?

J. First, then, in a year the plane will be used up, it will be good for nothing. It is only just that you should let me have another exactly like it; or that you should give me money enough to get it repaired; or that you should supply me the ten days which I must devote to replacing it.

W. This is perfectly just. I submit to these conditions. I engage to return it, or to let you have one like it, or the value of the same. I think you must be satisfied with this, and can require nothing further.

J. I think otherwise. I made the plane for myself, and not for you. I expected to gain some advantage from it, by my work being better finished and better paid; by improving my condition. What reason is there that I should make the plane, and you should gain the profit? I might as well ask you to give me your saw and hatchet! What a confusion! Is it not natural that each should keep what he has made with his own hands, as well as his hands themselves? To use without recompense the hands of another, I call slavery; to use without recompense the plane of another, can this be called fraternity?

W. But, then, I have agreed to return it to you at the end of a year, as well polished and as sharp as it is now.

J. We have nothing to do with next year; we are speaking of this year. I have made the plane for the sake of improving my work and condition: if you merely return it to me in a year, it is you who will gain the profit of it during the whole of that time. I am not bound to do you such a service without receiving anything from you in return; therefore, if you wish for my plane, independently of the entire restoration already bargained for, you must do me a service which we will now discuss; you must grant me remuneration.

And this was what the two finally agreed upon: William granted a remuneration calculated in such a way that, at the end of the year, James received his plane quite new, and in addition a new plank, as a compensation for the advantages of which he had deprived himself in lending the plane to his friend.

It was impossible for anyone acquainted with the transaction to discover the slightest trace in it of oppression or injustice.

The singular part of it is, that, at the end of the year, the plane came into James's possession, and he lent it again; recovered it, and lent it a third and fourth time. It has passed into the hands of his son, who still lends it. Poor plane! How many times has it changed, sometimes its blade, sometimes its handle. It is no longer the same plane, but it has always the same value, at least for James's posterity. Workmen; let us examine further these little stories.

I maintain, first of all, that the *sack of corn* and the *plane* are here the type, the model, a faithful representation, the symbol of all capital; as the half bushel of corn and the plank are the type, the model, the representation, the symbol of all interest. This granted, the following are, it seems to me, a series of consequences, the justice of which it is impossible to dispute.

First. If the yielding of a plank by the borrower to the lender is a natural, equitable, lawful remuneration, the just price of a real service, we may conclude that, as a general rule, it is in the nature of capital when loaned or used to produce interest. When this capital, as in the foregoing examples, takes the form of an *instrument of labor*, it is clear enough that it ought to bring an advantage to its possessor, to him who has devoted to it his time, his brains, and his strength. Otherwise, why should he have made it? No necessity of life can be immediately satisfied with instruments of labor; no one eats planes or drinks saws, unless, of course, he is a magician. If a man determines to spend his time in the production of such things, he must have been led to it by the consideration of the increased power these instruments give to him; of the time which they save him; of the perfection and rapidity they give to his labor; in a word, of the advantages they procure for him. Now these advantages, which have been obtained by labor, by the sacrifice of time that might have been used for other purposes, are we bound, as soon as they are ready to be enjoyed, to confer them gratuitously upon another? Would it be an advance in social order if the law so stated, and citizens should pay officials for enforcing such a law by force? I venture to say that there is not one amongst you who would support it. It would be to legalize, to organize, to systematize injustice itself, for it would be proclaiming that there are men born to render, and others born to receive, gratuitous services. Grant, then, that interest is just, natural, and expedient.

Second. A second consequence, not less remarkable than the former, and, if possible, still more conclusive, to which I call your attention, is this: *Interest is not injurious to the borrower*. I mean to say, the obligation in which the borrower finds himself, to pay

a remuneration for use of capital, cannot do any harm to his condition. Observe, in fact, that James and William are perfectly free, as regards the transaction to which the plane gave occasion. The transaction cannot be accomplished without the consent of one as well as of the other. The worst that can happen is that James may ask too much; and in this case, William, refusing the loan, remains as he was before. By the fact of his agreeing to borrow, he proves that he considers it an advantage to himself; he proves that after every calculation, whatever may be the remuneration or interest required of him, he still finds it more profitable to borrow than not to borrow. He only determines to do so because he has compared the inconveniences with the advantages. He has calculated that the day on which he returns the plane, accompanied by the remuneration agreed upon, he will have effected more work, with the same labor, thanks to this tool. A profit will remain to him, otherwise he would not have borrowed. The two services of which we are speaking are exchanged according to the law that governs all exchanges, the law of supply and demand. The demands of James have a natural and impassable limit. This is the point at which the remuneration demanded by him would absorb all the advantage that William might find in making use of a plane. In this case, the borrowing would not take place. William would be bound either to make a plane for himself, or do without one, which would leave him in his original condition. He borrows because he gains by borrowing. I know very well what will be told me. You will say, William may be deceived, or, perhaps, he may be governed by necessity, and be obliged to submit to a harsh law.

It may be so. As to errors in calculation, they belong to the infirmity of our nature, and to argue from this against the transaction in question, is objecting to the possibility of loss in all imaginable transactions, in every human act. Error is an accidental fact, which is incessantly remedied by experience. In short, everybody must guard against it. As far as those hard necessities are concerned that force persons to borrow under onerous conditions, it is clear that these necessities existed previously to the borrowing.

If William is in a situation in which he cannot possibly do without a plane, and must borrow one at any price, does this situation result from James having taken the trouble to make the tool? Does it not exist independently of this circumstance? However harsh, however severe James may be, he will never render the supposed condition of William worse than it is. Morally, it is true, the lender will be to blame if he demands more than is just; but in an economical point of view, the loan itself can never be considered responsible for previous necessities, which it has not created, and which it relieves to a certain extent. But this proves something to which I shall return. It is evidently for the interest of William, representing here the borrowers, that there shall be many Jameses and planes, or, in other words, lenders and capitals. It is very evident that if William can say to James, "Your demands are exorbitant; there is no lack of planes in the world;" he will be in a better situation than if James's plane was the only one he could borrow. Assuredly, there is no maxim more true than this—service for service. But let us not forget that no service has a fixed and absolute value compared with others. The contracting parties are free. Each pushes his advantage to the farthest possible point, and the most favorable circumstance for these advantages is the absence of rivalry. Hence it follows that if there is a class of men more interested than any other in the creation, multiplication, and abundance of capital goods, it is mainly that of the borrowers. Now, since capital goods can only be formed and increased by the stimulus and the prospect of remuneration, let this class understand the injury they are inflicting on themselves when they deny the lawfulness of interest, when they proclaim that credit should be gratuitous, when they declaim against the pretended tyranny of capital, when they discourage saving, thus forcing capital to become scarce, and consequently interest to rise.

Third. The anecdote I have just related enables you to explain this apparently objectionable phenomenon, which is termed the duration or perpetuity of interest. Since, in lending his plane, James has been able, very lawfully, to make it a condition that it should be returned to him at the end of a year in the same state

in which it was when he lent it, is it not evident that he may, at the expiration of the term, lend it again on the same conditions? If he resolves upon the latter plan, the plane will return to him at the end of every year, and that without end. James will then be in a condition to lend without end; that is, he may derive from it a perpetual interest. It will be said that the plane will be worn out. That is true; but it will be worn out by the hand and for the profit of the borrower. The latter has taken this gradual wear into account and taken upon himself, as he ought, the consequences. He has reckoned that he shall derive from this tool an advantage that will allow him to restore it to its original condition after having realized a profit from it. As long as James does not use this capital himself, or for his own advantage—as long as he renounces the advantages that allow it to be restored to its original condition—he will have an incontestable right to have it restored, and that independently of interest.

Observe besides that if, as I believe I have shown, James, far from doing any harm to William, has done him a service in lending him his plane for a year; for the same reason, he will do no harm to a second, a third, a fourth borrower, in the subsequent periods. Hence you may understand that the interest from capital is as natural, as lawful, as useful, in the thousandth year, as in the first. We may go still further. It may happen that James lends more than a single plane. It is possible, that by means of working, of saving, of privations, of discipline, of activity, he may come to be able to lend a multitude of planes and saws; that is to say, to do a multitude of services.

I insist upon this point—that if the first loan has been a social good, it will be the same with all the others; for they are all similar, and based upon the same principle. It may happen, then, that the amount of all the remunerations received by our honest operative, in exchange for services rendered by him, may suffice to maintain him. In this case, there will be a man in the world who has a right to live without working. I do not say that he would be doing right to give himself up to idleness—but I say that he has a right to do so; and if he does so, it will be at nobody's expense,



but quite the contrary. If society at all understands the nature of things, it will acknowledge that this man subsists on services that he receives certainly (as we all do), but that he receives lawfully in exchange for other services, that he himself has rendered, that he continues to render, and that are real services, inasmuch as they are freely and voluntarily accepted.

And here we have a glimpse of one of the finest harmonies in the social world. I allude to *leisure*: not that leisure that the warlike and tyrannical classes arrange for themselves by the plunder of the workers, but that leisure which is the lawful and innocent fruit of past activity and economy.

In expressing myself thus, I know that I shall shock many received ideas. But see! Is not leisure an essential spring in the social machine? Without it the world would never have had a Newton, a Pascal, a Fênelon; mankind would have been ignorant of all arts, sciences, and of those wonderful inventions prepared originally by investigations of mere curiosity; thought would have been inert—man would have made no progress.<sup>4</sup> On the other hand, if leisure could only be explained by plunder and oppression—if it were a benefit that could only be enjoyed unjustly, and at the expense of others, there would be no middle path between these two evils; either mankind would be reduced to the necessity of stagnating in a vegetable and stationary life in eternal ignorance from the absence of wheels to its machine—or else it would

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<sup>4</sup>Of all the results that are produced among a people by their climate, food, and soil, the accumulation of wealth (capital) is the earliest, and in many respects the most important. For although the progress of knowledge eventually accelerates the increase of wealth, it is nevertheless certain that, in the first formation of society, the wealth must accumulate before the knowledge can begin. As long as every man is engaged in collecting the materials necessary for his own subsistence, there will be neither leisure nor taste for higher pursuits. But if the produce is greater than consumption, a surplus arises by means of which men can use what they did not produce, and are thus enabled to devote themselves to subjects for which at an earlier period the pressure of their daily wants would have left them no time.”—*Buckle's History of Civilization*.

have to acquire these wheels at the price of inevitable injustice, and would necessarily present the sad spectacle, in one form or other, of the ancient classification of human beings into masters and slaves. I defy anyone to show me, in this case, any other alternative. We should be compelled to contemplate the Divine plan that governs society with the regret of thinking that it presents a deplorable chasm. The stimulus of progress would be forgotten or, which is worse, this stimulus would be no other than injustice itself. But no! God has not left such a chasm in His work of love. We must take care not to disregard His wisdom and power; for those whose imperfect meditations cannot explain the lawfulness of leisure, are very much like the astronomer who said, at a certain point in the heavens there ought to exist a planet that will be at last discovered, for without it the celestial world is not harmony, but discord.

Therefore I say that, if well understood, the history of my humble plane, although very modest, is sufficient to raise us to the contemplation of one of the most consoling but least understood of the social harmonies.

It is not true that we must choose between the denial or the unlawfulness of leisure; thanks to rent and its natural duration, leisure may arise from labor and saving. It is a pleasing prospect, which everyone may have in view; a noble recompense, to which each may aspire. It makes its appearance in the world; it distributes itself proportionately to the exercise of certain virtues; it opens all the avenues to intelligence; it ennobles, it raises the morals; it spiritualizes the soul of humanity, not only without laying any weight on those of our brethren whose lot in life makes severe labor necessary, but it relieves them gradually from the heaviest and most repugnant part of this labor. It is enough that capital should be formed, accumulated, multiplied; should be lent on conditions less and less burdensome; that it should descend, penetrate into every social circle, and that by an admirable progression, after having liberated the lenders from onerous toil, it should bring a similar liberation to the borrowers themselves. For that end, the laws and customs ought all to be

favorable to economy, the source of capital. It is enough to say, that the first of all these conditions is not to alarm, to attack, to deny that which is the stimulus of saving and the reason of its existence—interest.

As long as we see nothing passing from hand to hand, in the operations of loan, but *provisions, materials, instruments*, things indispensable to the productiveness of labor itself, the ideas thus far exhibited will not find many opponents. Who knows, even, that I may not be reproached for having made a great effort to burst what may be said to be an open door. But as soon as money makes its appearance as the subject of the transaction (and it is this which appears almost always), immediately a crowd of objections are raised. Money, it will be said, will not reproduce itself, like your *sack of corn*; it does not assist labor, like your *plane*; it does not afford an immediate satisfaction, like your *house*. It is incapable, by its nature, of producing interest, of multiplying itself, and the remuneration it demands is a positive extortion.

Who cannot see the sophistry of this? Who does not see that money is only an instrumentality that men use to represent other *values*, or real objects of usefulness, for the sole object of facilitating their exchanges of commodities or services? In the midst of social complications, the man who is in a condition to lend scarcely ever has the exact thing the borrower wants. James, it is true, has a plane; but, perhaps, William wants a saw. They cannot negotiate; the transaction favorable to both cannot take place, and then what happens? It happens that James first exchanges his plane for money; he lends the money to William, and William exchanges the money for a saw. The transaction is no longer a simple one; it is resolved into two transactions, as I explained above in speaking of exchange. But for all that, it has not changed its nature; it still contains all the elements of a direct loan. James has parted with a tool which was useful to him; William has at the same time received an instrument that facilitates his work and increases his profits; there is still a service rendered by the lender, which entitles him to receive an equivalent service from the borrower; and this just balance is not the less established by free

mutual bargaining. The obvious natural obligation to restore at the end of the term the *entire value* of what was borrowed still constitutes the principle of the rightfulness of interest.

At the end of a year, says Mr. Thoré, will you find an additional dollar in a bag of a hundred dollars?

No, certainly if the borrower puts the bag of one hundred dollars on the shelf. In such a case, neither the plane nor the sack of corn would reproduce themselves. But it is not for the sake of leaving the money in the bag, nor the plane on the shelf, that they are borrowed. The plane is borrowed to be used, or the money to procure a plane. And if it is clearly proved that this tool enables the borrower to obtain profits he could not have made without it; if it is proved that the lender has given up the opportunity of creating for himself this excess of profits, we may understand how the stipulation of a part of this excess of profits in favor of the lender is equitable and lawful.

Ignorance of the true part money plays in human transactions is the source of the most fatal errors. From what we may infer from the writings of Mr. Proudhon, that which has led him to think that gratuitous credit was a logical and definite consequence of social progress, is the observation of the phenomenon that interest seems to decrease almost in direct proportion to the progress of civilization. In barbarous times it is, in fact, a hundred percent, and more. Then it descends to eighty, sixty, fifty, forty, twenty, ten, eight, five, four and three percent. In Holland, it has even been as low as two percent. Hence it is concluded that "in proportion as society comes to perfection, the rate of interest will diminish and finally run down to zero, or nothing, by the time civilization is complete. In other words, that which characterizes social perfection is the gratuitousness of credit. When, therefore, we shall have abolished interest, we shall have reached the last step of progress." This is mere sophistry, and as such false arguing may contribute to render popular the unjust, dangerous, and destructive dogma that credit should be gratuitous, by representing it as coincident with social perfection, with the reader's

permission I will examine in a few words this new view of the question.

## 7. WHAT REGULATES INTEREST?

What is *interest*? It is the service rendered, after a free bargain, by the borrower to the lender, in remuneration for the service he has received by or from the loan. By what law is the rate of these remunerative services established? By the general law that regulates the equivalent of all services; that is, by the law of supply and demand.

The more easily a thing is procured, the smaller is the service rendered by yielding it or lending it. The man who gives me a glass of water among the springs of the mountains does not render me so great a service as he who allows me one in the desert of Sahara. If there are many planes, sacks of corn, or houses, in a country, the use of them is obtained, other things being equal, on more favorable conditions than if they were few, for the simple reason that the lender renders in this case a smaller *relative service*.

It is not surprising, therefore, that the more abundant capital is, the lower is the interest. Is this saying that it will ever reach zero? No; because, I repeat it, the principle of a remuneration is in the loan. To say that interest will be annihilated, is to say that there will never be any motive for saving, for denying ourselves, in order to form new capitals, nor even to preserve the old ones. In this case, the waste would immediately create a void, and interest would soon reappear.

In that, the nature of the services of which we are speaking does not differ from any other. Thanks to industrial progress, a pair of stockings, which used to be worth six shillings, has successively been worth only four, three, and two. No one can say to what point this value will descend; but we can affirm that it will never reach zero, unless the stockings finish by producing themselves spontaneously. Why? Because the principle of remuneration is in labor; because he who works for another renders a service, and ought to receive a service. If no one paid for stockings

they would cease to be made; and, with the scarcity, the price would not fail to reappear.

The sophism I am now combating has its root in the infinite divisibility that belongs to *value*, as it does to matter.

It may appear at first paradoxical, but it is well known to all mathematicians, that, through all eternity, fractions may be taken from a weight without the weight ever being annihilated. It is sufficient that each successive fraction be less than the preceding one, in a determined and regular proportion.

There are countries where people apply themselves to increasing the size of horses, or diminishing in sheep the size of the head. It is impossible to say precisely to what point they will arrive in this. No one can say that he has seen the largest horse or the smallest sheep's head that will ever appear in the world. But he may safely say that the size of horses will never attain to infinity, nor the heads of sheep be reduced to nothing. In the same way, no one can say to what point the price of stockings nor the interest of capital will come down; but we may safely affirm, when we know the nature of things, that neither the one nor the other will ever arrive at zero, for labor and capital can no more live without recompense than a sheep without a head. The arguments of Mr. Proudhon reduce themselves, then, to this: Since the most skillful agriculturists are those who have reduced the heads of sheep to the smallest size, we shall have arrived at the highest agricultural perfection when sheep have no longer any heads. Therefore, in order to realize the perfection, let us behead them.

I have now done with this wearisome discussion. Why is it that the breath of false doctrine has made it needful to inquire into the innate nature of interest? I must not leave off without remarking upon a beautiful moral which may be drawn from this law: "The reduction in the rate of interest is proportional to the abundance of capital." This law being granted, if there is a class of men to whom it is more important than to any other that stocks of capital should accumulate, multiply, abound, and superabound, it is certainly the class that borrows capital directly or indirectly; it is those men who operate upon *materials*, who gain

assistance by *tools*, who live upon accumulations produced and saved by other men.

Imagine, in a vast and fertile country, a population of a thousand inhabitants, destitute of all capital as thus defined. It will assuredly perish by the pangs of hunger. Let us suppose a case hardly less cruel. Let us suppose that ten of these savages (for persons without capital are savages) are provided with tools and provisions sufficient to work and to live themselves until harvest time, as well as to remunerate the services of ninety laborers. The inevitable result will be the death of nine hundred human beings. It is clear, then, that since 990 men, urged by want, will crowd upon the supports that would only maintain a hundred, the ten capitalists will be masters of the market. They will obtain labor on the hardest conditions, for they will put it up to auction or the highest bidder. And observe this—if these capitalists entertain such pious sentiments as would induce them to impose personal privations on themselves, in order to diminish the sufferings of some of their brethren, this generosity, which attaches to morality, will be as noble in its principle as useful in its effects. But if, duped by that false philosophy that persons wish so inconsiderately to mingle with economic laws, they take to remunerating labor in excess of what it is worth, and in excess of what they are able to pay, far from doing good, they will do harm. They will give double wages, it may be. But then, forty-five men will be better provided for, while forty-five others from the diminution in the supply of capital, will augment the number of those who are sinking into the grave. Upon this supposition, it is not the deprivation of wages that primarily works the mischief, but the scarcity of capital. Low wages are not the cause, but the effect of the evil. I may add that they are to a certain extent the remedy. It acts in this way: it distributes the burden of suffering as much as it can, and saves as many lives as a limited quantity of available sustenance permits.

Suppose now, that instead of ten capitalists, there should be a hundred, two hundred, five hundred—is it not evident that the condition of the whole population, and, above all, that of the

mass of the people will be more and more improved? Is it not evident that, apart from every consideration of generosity, they would obtain more work and better pay for it?—that they themselves will be in a better condition to accumulate capital, without being able to fix the limits to this ever-increasing facility of realizing equality and well-being? Would it not be madness in them to accept and act upon the truth of such doctrines as Proudhon and John Ruskin teach, and to act in a way that would reduce the source of wages, and paralyze the activity and stimulus of saving? Let them learn this lesson, then. Accumulations of capital are good for those who possess them: who denies it? But they are also useful to those who have not yet been able to form them; and it is important to those who have them not that others should have them.

Yes, if the laboring classes knew their true interests, they would seek to know with the greatest earnestness what circumstances are, and what are not favorable to saving, in order to encourage the former and to discourage the latter. They would sympathize with every measure that encourages the rapid accumulation of capital. They would be enthusiastic promoters of peace, liberty, order, security; the unity of classes and peoples, economy, moderation in public expenses, simplicity in the machinery of government; for it is under the sway of all these circumstances that saving does its work, brings plenty within the reach of the masses, invites those persons to become the owners of capital who were formerly under the necessity of borrowing under hard terms. They would repel with energy the war-like spirit, which diverts from its true course so large a part of human labor; the monopolizing spirit, that deranges the equitable distribution of riches, in the way by which liberty alone can realize it; the multitude of public services which attack our purses only to check our liberty; and, in short, those subversive, hateful, thoughtless doctrines, that alarm capital, prevent its formation, oblige it to flee, and finally to raise its price, to the especial disadvantage of the workers, who bring it into existence.



Take for example the revolution that overthrew the government of France, and disturbed society in February, 1848, is it not a hard lesson? Is it not evident that the insecurity it has thrown into the world of business on the one hand; and, on the other, the advancement of the fatal theories to which I have alluded, and which, from the clubs, have almost penetrated into the regions of the legislature, have everywhere raised the rate of interest? Is it not evident that from that time the laboring classes of France have found greater difficulty in procuring those materials, tools, and provisions, without which labor is impossible? Is it not that which has caused stagnation of business; and does not paralysis of industry in turn lower wages? Thus there is a deficiency of work to those who need to labor, from the same cause that loads the objects they consume with an increase of price, in consequence of the rise of interest. High interest and low wages signify in other words that the same article preserves its price, but that the remuneration of the capitalist has invaded, without profiting himself, that of the workman.

A friend of mine, commissioned to make inquiry into Parisian industry, has assured me that the manufacturers have revealed to him a very striking fact that proves, better than any reasoning can, how much insecurity and uncertainty injure the formation of capital. It was noted that during the most distressing period of this revolution the popular expenditures for personal gratification did not diminish. The small theatres, the public-houses, and tobacco depots, were as much frequented as in prosperous times. On inquiry, the operatives themselves explained this phenomenon as follows: "What is the use of economizing? Who knows what will happen to us? Who knows that interest will not be abolished? Who knows but that the State will become a universal and gratuitous lender, and that it will annihilate all the fruits that we might expect from our savings?" Well! I say that if such ideas could prevail during two single years, it would be enough to turn our beautiful France into a Turkey—misery would become general and endemic, and, most assuredly, the poor would be the first upon whom it would fall.

Laboring men! They talk to you a great deal of the *artificial* organization of labor; do you know why they do so? Because they are ignorant of the laws of its *natural* organization; that is, of the wonderful organization that results from liberty. You are told that liberty gives rise to what is called the radical antagonism of classes; that it creates, and makes to clash, two opposite interests—that of the capitalists and that of the laborers. But we ought to begin by proving that the antagonism exists *by* a law of nature; and afterwards it would remain to be shown how far the arrangements for intervention are superior to those of liberty, for between liberty and intervention I see no middle path. Again, it would remain to be proved that intervention would always operate to your advantage, and to the prejudice of the rich. But, no; this radical antagonism, this natural opposition of interests, does not exist. It is only an evil dream of perverted and intoxicated imaginations. No; a plan so defective has not proceeded from the Divine Mind. To affirm it, we must begin by denying the existence of God. And see how, by means of social laws, and because men exchange amongst themselves their labors and their products, a harmonious tie attaches the different classes of society one to the other! There are the landowners; what is their interest? That the soil be fertile, and the sun beneficent: and what is the result? That wheat abounds, that it falls in price, and the advantage turns to the profit of those who have had no patrimony. There are the manufacturers—what is their constant thought? To perfect their labor, to increase the power of their machines, to procure for themselves, upon the best terms, the raw material. And to what does all this tend? To the abundance and the low price of produce; that is, all the efforts of the manufacturers, and without their suspecting it, result in a profit to the public consumer, of which each of you is one. It is the same with every profession. Now, the capitalists are not exempt from this law. They are very busy making schemes, economizing, and turning them to their advantage. This is all very well; but the more they succeed, the more do they promote the abundance of capital, and, as a necessary consequence, the reduction of interest. Now, who is it that profits

by the reduction of interest? Is it not the borrower first, and finally, the consumers of the things the capital contributes to produce?

It is therefore certain that the final result of the efforts of each class is the common good of all.

You are told that capital tyrannizes over labor. I do not deny that each one endeavors to draw the greatest possible advantage from his situation; but in this sense, he realizes only that which is possible. Now, it is never more possible for capitalists to tyrannize over labor, than when capital is scarce; for then it is they who make the law—it is they who regulate the rate of sale. Never is this tyranny more impossible to them than when capital and capitalists are abundant; for in that case, it is labor which has the command. [Where there is one to sell and two to buy, the seller fixes the price; where there are two to sell and one to buy, the buyer always has the advantage.—*Editor.*]

Away, then, with the jealousies of classes, ill-will, unfounded hatreds, unjust suspicions. These depraved passions injure those who nourish them in their heart. This is no declamatory morality; it is a chain of causes and effects, which is capable of being rigorously, mathematically demonstrated. It is not the less sublime in that it satisfies the intellect as well as the feelings.

I shall sum up this whole dissertation with these words: Workmen, laborers, destitute and suffering classes, will you improve your condition? You will not succeed by strife, insurrection, hatred, and error. But there are three things that always result in benefit and blessing to every community and to every individual who helps to compose it; and these things are—peace, liberty, and security.

VI.

ECONOMIC SOPHISMS—  
FIRST SERIES



## INTRODUCTION<sup>1</sup>

**M**y design in this little volume is to refute some of the arguments that are urged against the Freedom of Trade.

I do not propose to engage in a contest with the protectionists; but rather to instill a principle into the minds of those who hesitate because they sincerely doubt.

I am not one of those who say that Protection is founded on men's interests. I am of the opinion rather that it is founded on errors, or, if you will, upon incomplete truths. Too many people fear liberty to permit us to conclude that their apprehensions are not sincerely felt.

It is perhaps aiming too high, but my wish is, I confess, that this little work should become, as it were, the Manual of those whose business it is to pronounce between the two principles. Where men have not been long accustomed and familiarized to the doctrine of liberty, the fallacies of protection, in one shape or another, are constantly coming back upon them. In order to disabuse them of such errors when they recur, a long process of

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<sup>1</sup>The first series of the *Sophismes Economiques* appeared at the end of 1845; the second series in 1848.

analysis becomes necessary; and everyone has not the time required for such a process—legislators less than others. This is my reason for endeavoring to present the analysis and its results cut and dried.

But it may be asked: Are the benefits of liberty so hidden as to be discovered only by professional Economists?

We must confess that our adversaries have a marked advantage over us in the discussion. In very few words they can announce a half-truth; and in order to demonstrate that it is incomplete, we are obliged to have recourse to long and dry dissertations.

This arises from the nature of things. Protection concentrates on one point the good which it produces, while the evils it inflicts are spread over the masses. The one is visible to the naked eye; the other only to the eye of the mind. In the case of liberty, it is just the reverse.

In the treatment of almost all economic questions we find it to be so.

You say: Here is a machine that has turned thirty workmen onto the street.

Or: Here is a spendthrift who encourages every branch of industry.

Or: The conquest of Algeria has doubled the trade of Marseilles.

Or: The budget secures subsistence for a hundred thousand families.

You are understood at once and by all. Your propositions are in themselves clear, simple, and true. What are your deductions from them?

Machinery is an evil.

Luxury, conquests, and heavy taxation are productive of good.

And your theory receives wide support in that you are in a situation to support it by reference to undoubted facts.

On our side, we must decline to confine our attention to the cause and its direct and immediate effect. We know that this very

effect in its turn becomes a cause. To judge correctly of a measure, then, we must trace it through the whole chain of effects to its final result. In other words, we are forced to reason upon it.

But then clamour gets up: You are theorists, metaphysicians, idealists, Utopian dreamers, doctrinarians; and all the prejudices of the popular mind are roused against us.

What, under such circumstances, are we to do? We can only invoke the patience and good sense of the reader, and set our deductions, if we can, in a light so clear that truth and error must show themselves plainly, openly, and without disguise; and that the victory, once gained, may remain on the side of intervention or on that of freedom.

And here I must set down an essential observation.

Some extracts from this little volume have already appeared in the *Journal des Economistes*.

In a criticism, in other respects very favorable, from the pen of Viscount de Romanet, he supposes that I demand the suppression of customs. He is mistaken. I demand the suppression of the protectionist system. We don't refuse taxes to the Government, but we desire, if possible, to dissuade the governed from taxing one another. Napoleon said that "the customhouse should not be made an instrument of revenue, but a means of protecting industry." We maintain the contrary, and we contend that the customhouse ought not to become in the hands of the working classes an instrument of reciprocal rapine, but that it may be used as an instrument of revenue as legitimately as any other. So far are we—or, to speak only for myself, so far am I—from demanding the suppression of customs, that I see in that branch of revenue our future anchor of safety. I believe our resources are capable of yielding to the Treasury immense returns; and, to speak plainly, I must add that, seeing how slow is the spread of sound economic doctrines, and so rapid the increase of our budgets, I am disposed to count more upon the necessities of the Treasury than on the force of enlightened opinion for furthering the cause of commercial reform.



You ask me, then: What is your conclusion? And I reply, that here there is no need to arrive at a conclusion. I combat fallacies; that is all.

But you rejoin that it is not enough to pull down—it is also necessary to build up. True; but to destroy an error is to build up the truth that stands opposed to it.

After all, I have no repugnance to declare what my wishes are. I desire to see public opinion led to sanction a law of customs conceived nearly in these terms—

Articles of primary necessity to pay a duty, *ad valorem*, of 5 percent. Articles of convenience, 10 percent.

Articles of luxury, 15 to 20 percent.

These distinctions, I am aware, belong to an order of ideas that are quite foreign to Political Economy strictly so called, and I am far from thinking them as just and useful as they are commonly supposed to be. But this subject does not fall within the compass of my present design.

# 1

## ABUNDANCE—SCARCITY

**W**hich is best for man and for society, abundance or scarcity? What! you exclaim, can that be a question? Has anyone ever asserted, or is it possible to maintain, that scarcity is at the foundation of human well-being?

Yes, this has been asserted, and is maintained every day; and I do not hesitate to affirm that the theory of scarcity is the most popular by far. It is the life of conversation, of the newspapers, of books, and of political oratory; and, strange as it may seem, it is certain that Political Economy will have fulfilled its practical mission when it has established beyond question, and widely disseminated, this very simple proposition: "The wealth of men consists in the abundance of commodities."

Do we not hear it said every day: "The foreigner is about to inundate us with his products?" Then we fear abundance.

Did not Mr. Saint-Cricq exclaim: "Production is excessive"? Then he feared abundance.

Do workmen break machines? Then they fear an excess of production, or abundance.

Has not Mr. Bugeaud pronounced these words: "Let bread be dear, and agriculturists will get rich"? Now, bread can only be dear because it is scarce. Therefore Mr. Bugeaud extols scarcity.

Does not Mr. d'Argout urge as an argument against sugar-growing the very productiveness of that industry? Does he not say: "Beetroot has no future, and its culture cannot be extended, because a few acres devoted to its culture in each department would supply the whole consumption of France"? Then, in his eyes, good lies in sterility, in dearth, and evil in fertility and abundance.

*La Presse*, *Le Commerce*, and the greater part of the daily papers, have one or more articles every morning to demonstrate to the Legislative Chamber and the Government that it is sound policy to raise legislatively the price of all things by means of tariffs. And do the Chamber and the Government not obey the injunction? Now tariffs can raise prices only by diminishing the supply of commodities in the market! Then the journals, the Chamber, and the Minister put into practice the theory of scarcity, and I am justified in saying that this theory is by far the most popular.

How does it happen that in the eyes of workmen, of publicists, and statesmen abundance should appear a thing to be dreaded and scarcity advantageous? I propose to trace this illusion to its source.

We remark that a man grows richer in proportion to the return yielded by his exertions, that is to say, in proportion as he sells his commodity at a higher price. He sells at a higher price in proportion to the rarity, to the scarcity, of the article he produces. We conclude from this that, as far as he is concerned at least, scarcity enriches him. Applying successively the same reasoning to all other producers, we construct the theory of scarcity. We next proceed to apply this theory and, in order to favor producers generally, we raise prices artificially, and cause a scarcity of all commodities, by prohibition, by intervention, by the suppression of machinery, and other analogous means.

The same thing holds of abundance. We observe that when a product is plentiful, it sells at a lower price, and the producer gains less. If all producers are in the same situation, they are all poor. Therefore it is abundance that ruins society. And as theories are soon reduced to practice, we see the law struggling against the abundance of commodities.

This fallacy in its more general form may make little impression, but applied to a particular order of facts, to a certain branch of industry, to a given class of producers, it is extremely specious; and this is easily explained. It forms a syllogism that is not false, but incomplete. Now, what is true in a syllogism is always and necessarily present to the mind. But incompleteness is a negative quality, an absent datum, which it is very possible, and indeed very easy, to leave out of account.

Man produces in order to consume. He is at once producer and consumer. The reasoning I have just explained considers him only in the first of these points of view. Had the second been taken into account, it would have led to an opposite conclusion. In effect, may it not be said:

The consumer is richer in proportion as he purchases all things cheaper; and he purchases things cheaper in proportion to their abundance; therefore it is abundance that enriches him. This reasoning, extended to all consumers, leads to the theory of plenty.

It is the notion of exchange imperfectly understood that leads to these illusions. If we consider our personal interest, we recognize distinctly that it is two-sided. As sellers we have an interest in dearness, and consequently in scarcity; as buyers, in cheapness, or what amounts to the same thing, in the abundance of commodities. We cannot, then, found our reasoning on one or the other of these interests before inquiring which of the two coincides and is identified with the general and permanent interest of mankind at large.

If man were a solitary animal, if he labored exclusively for himself, if he consumed directly the fruit of his labor—in a word, if he did not exchange—the theory of scarcity would never have

appeared in the world. It is too evident that in that case, abundance would be advantageous, from whatever quarter it came, whether from the result of his industry, from ingenious tools, from powerful machinery of his invention, or whether due to the fertility of the soil, the liberality of nature, or even to a mysterious invasion of products brought by the waves and left by them upon the shore. No solitary man would ever have thought that in order to encourage his labor and render it more productive, it was necessary to break in pieces the instruments that lessened it, to neutralize the fertility of the soil, or give back to the sea the good things it had brought to his door. He would perceive at once that labor is not an end, but a means; and that it would be absurd to reject the result for fear of doing injury to the means by which the result was accomplished. He would perceive that if he devotes two hours a day to providing for his wants, any circumstance (machinery, fertility, gratuitous gift, no matter what) that saves him an hour of that labor, the result remaining the same, puts that hour at his disposal, and that he can devote it to increasing his enjoyments; in short, he would see that to save labor is nothing else than progress.

But exchange disturbs our view of a truth so simple. In the social state, and with the separation of employments to which it leads, the production and consumption of a commodity are not mixed up and confounded in the same individual. Each man comes to see in his labor no longer a means but an end. In relation to each commodity, exchange creates two interests, that of the producer and that of the consumer; and these two interests are always directly opposed to each other.

It is essential to analyze them, and examine their nature.

Take the case of any producer whatever, what is his immediate interest? It consists of two things; first, that the fewest possible number of persons should devote themselves to his branch of industry; second, that the greatest possible number of persons should be in quest of the article he produces. Political economy explains it more succinctly in these terms: Supply very

limited, demand very extended; or, in other words still, Competition limited, demand unlimited.

What is the immediate interest of the consumer? That the supply of the product in question should be extended, and the demand restrained.

Seeing, then, that these two interests are in opposition to each other, one of them must necessarily coincide with social interests in general, and the other be antagonistic to them.

But which of them should legislation favor, as identical with the public good—if, indeed, it should favor either?

To discover this, we must inquire what would happen if the secret wishes of men were granted.

In as far as we are producers, it must be allowed that the desire of every one of us is antisocial. Are we vinedressers? It would give us no great regret if hail should shower down on all the vines in the world except our own: this is the theory of scarcity. Are we iron-masters? Our wish is that there should be no other iron in the market but our own, however much the public may be in want of it; and for no other reason than this want, keenly felt and imperfectly satisfied, shall ensure us a higher price: this is still the theory of scarcity. Are we farmers? We say with Mr. Bugeaud: Let bread be dear, that is to say, scarce, and agriculturists will thrive: always the same theory, the theory of scarcity.

Are we physicians? We cannot avoid seeing that certain physical ameliorations, improving the sanitary state of the country, the development of certain moral virtues, such as moderation and temperance, the progress of knowledge tending to enable each man to take better care of his own health, the discovery of certain simple remedies of easy application, would be so many blows to our professional success. In so far as we are physicians, then, our secret wishes would be antisocial. I do not say that physicians form these secret wishes. On the contrary, I believe they would hail with joy the discovery of a universal panacea; but they would not do this as physicians, but as men and as Christians. By a noble abnegation of self, the physician places himself in the consumer's

point of view. But as practicing a profession, from which he derives his own and his family's subsistence, his desires, or, if you will, his interests, are antisocial.

Are we manufacturers of cotton goods? We desire to sell them at the price most profitable to ourselves. We should consent willingly to an interdict being laid on all rival manufactures; and if we could venture to give this wish public expression, or hope to realize it with some chance of success, we should attain our end, to some extent by indirect means; for example, by excluding foreign fabrics in order to diminish the supply, and thus produce, forcibly and to our profit, a scarcity of clothing.

In the same way, we might pass in review all other branches of industry, and we should always find that the producers, as such, have antisocial views. "The shopkeeper," says Montaigne, "thrives only by the irregularities of youth; the farmer by the high price of corn, the architect by the destruction of houses, the officers of justice by lawsuits and quarrels. Ministers of religion derive their distinction and employment from our vices and our death. No physician rejoices in the health of his friends, nor soldiers in the peace of their country; and so of the rest."

Hence it follows that if the secret wishes of each producer were realized, the world would retrograde rapidly toward barbarism. The sail would supersede steam, the oar would supersede the sail, and general traffic would be carried on by the carrier's wagon; the latter would be superseded by the mule, and the mule by the peddler. Wool would exclude cotton, cotton in its turn would exclude wool, and so on until the dearth of all things had caused man himself to disappear from the face of the earth.

Suppose for a moment that the legislative power and the public force were placed at the disposal of Mineral's committee, and that each member of that association had the privilege of bringing in and sanctioning a favorite law, is it difficult to divine to what sort of industrial code the public would be subjected?

If we now proceed to consider the immediate interest of the consumer, we shall find that it is in perfect harmony with the general interest, with all that the welfare of society calls for. When

the purchaser goes to market he desires to find it well stocked. Let the seasons be propitious for all harvests; let inventions, more and more marvellous, bring within reach a greater and greater number of products and enjoyments; let time and labor be saved; let distances be effaced by the perfection and rapidity of transit; let the spirit of justice and of peace allow of a diminished weight of taxation; let barriers of every kind be removed—in all this the interest of the consumer runs parallel with the public interest. The consumer may push his secret wishes to a chimerical and absurd length, without these wishes becoming antagonistic to the public welfare. He may desire that food and shelter, the hearth and the roof, instruction and morality, security and peace, power and health, should be obtained without exertion and without measure, like the dust of the highways, the water of the brook, the air that we breathe; and yet the realization of his desires would not be at variance with the good of society.

It might be said that, if these wishes were granted, the work of the producer would become more and more limited, and would end with being stopped for want of sustenance. But why? Because on this extreme supposition, all imaginable wants and desires would be fully satisfied. Man, like Omnipotence, would create all things by a simple act of volition. Well, on this hypothesis, what reason should we have to regret the stoppage of industrial production?

I made the supposition not long ago of the existence of an assembly composed of workmen, each member of which, in his capacity of producer, should have the power of passing a law embodying his secret wish, and I said that the code that would emanate from that assembly would be monopoly systematized, the theory of scarcity reduced to practice.

In the same way, a chamber in which each should consult exclusively his own immediate interest as a consumer, would tend to systematize liberty, to suppress all restrictive measures, to overthrow all artificial barriers—in a word, to realize the theory of plenty.

Hence it follows:



That to consult exclusively the immediate interest of the producer is to consult an interest that is antisocial;

That to take for basis exclusively the immediate interest of the consumer would be to take for basis the general interest.

Let me enlarge on this view of the subject a little, at the risk of being prolix.

A radical antagonism exists between seller and buyer.

The former desires that the subject of the bargain should be scarce, its supply limited, and its price high.

The latter desires that it should be abundant, its supply large, and its price low.

The laws, which should be at least neutral, take the part of the seller against the buyer, of the producer against the consumer, of dearness against cheapness, of scarcity against abundance.

They proceed, if not intentionally, at least logically, on this datum: a nation is rich when it is in want of everything.

For they say, it is the producer that we must favor by securing him a good market for his product. For this purpose it is necessary to raise the price, and in order to raise the price we must restrict the supply; and to restrict the supply is to create scarcity.

Just let us suppose that at the present moment, when all these laws are in full force, we make a complete inventory, not in value but in weight, measure, volume, quantity, of all the commodities existing in the country, that are fitted to satisfy the wants and tastes of its inhabitants—corn, meat, cloth, fuel, colonial products, etc.

Suppose, again, that next day all the barriers that oppose the introduction of foreign products are removed.

Lastly, suppose that in order to test the result of this reform they proceed three months afterwards to make a new inventory.

Is it not true that there will be found in France more corn, cattle, cloth, linen, iron, coal, sugar, etc., at the date of the second than at the date of the first inventory?

So true is this that our protective tariffs have no other purpose than to hinder all these things from reaching us, to restrict the supply, and prevent low prices and abundance.

Now I would ask, Are the people who live under our laws better fed because there is less bread, meat, and sugar in the country? Are they better clothed because there is less cloth and linen? Better warmed because there is less coal? Better assisted in their labor because there are fewer tools and less iron, copper, and machinery?

But it may be said, If the foreigner inundates us with his products he will carry away our money.

And what does it matter? Men are not fed on money. They do not clothe themselves with gold, or warm themselves with silver. What does it matter whether there is more or less money in the country if there is more bread on our sideboards, more meat in our larders, more linen in our wardrobes, more firewood in our cellars.

Restrictive laws always land us in this dilemma: Either you admit that they produce scarcity, or you do not. If you admit it, you avow by the admission that you inflict on the people all the injury in your power. If you do not admit it, you deny having restricted the supply and raised prices, and consequently you deny having favored the producer.

What you do is either hurtful or profitless, injurious or ineffectual. It never can bring any useful result.



## 2

### OBSTACLE—CAUSE

**T**he obstacle mistaken for the cause—scarcity mistaken for abundance—this is the same fallacy under another aspect; and it is well to study it in all its phases.

Man is originally destitute of everything.

Between this destitution and the satisfaction of his wants there exist a multitude of obstacles that labor enables us to surmount. It is of interest to inquire how and why these very obstacles to his material prosperity have come to be mistaken for the cause of that prosperity.

I want to travel a hundred miles. But between the starting-point and the place of my destination, mountains, rivers, marshes, impenetrable forests, brigands—in a word, obstacles—interpose themselves; and to overcome these obstacles it is necessary for me to employ many efforts, or, what comes to the same thing, that others should employ many efforts for me, the price of which I must pay them. It is clear that I should have been in a better situation if these obstacles had not existed.

On his long journey through life, from the cradle to the grave, man has need to assimilate to himself a prodigious quantity of alimentary substances, to protect himself against the inclemency of the weather, to preserve himself from a number of ailments, or cure himself of them. Hunger, thirst, disease, heat, cold, are so many obstacles strewn along his path. In a state of isolation he must overcome them all by hunting, fishing, tillage, spinning, weaving, building; and it is clear that it would be better for him that these obstacles were less numerous and formidable, or, better still, that they did not exist at all. In society he does not combat these obstacles personally, but others do it for him; and in return he employs himself in removing one of those obstacles that are encountered by his fellow men.

It is clear also, considering things in the gross, that it would be better for men in the aggregate, or for society, that these obstacles should be as few and feeble as possible.

But when we come to scrutinize the social phenomena in detail, and men's sentiments as modified by the introduction of exchange, we soon perceive how men have come to confound wants with wealth, the obstacle with the cause.

The separation of employments, the division of labor, which results from the faculty of exchanging, causes each man, instead of struggling on his own account to overcome all the obstacles that surround him, to combat only one of them; he overcomes that one not for himself but for his fellow men, who in turn render him the same service.

The consequence is that this man, in combating this obstacle that it is his special business to overcome for the sake of others, sees in it the immediate source of his own wealth. The greater, the more formidable, the more keenly felt this obstacle is, the greater will be the remuneration that his fellow men will be disposed to accord him; that is to say, the more ready will they be to remove the obstacles that stand in his way.

The physician, for example, does not bake his own bread, or manufacture his own instruments, or weave or make his own coat. Others do these things for him, and in return he treats the

diseases with which his patients are afflicted. The more numerous, severe, and frequent these diseases are, the more others consent, and are obliged, to do for his personal comfort. Regarding it from this point of view, disease, that general obstacle to human happiness, becomes a cause of material prosperity to the individual physician. The same argument applies to all producers in their several departments. The shipowner derives his profits from the obstacle called distance; the agriculturist from that called hunger; the manufacturer of cloth from that called cold; the schoolmaster lives upon ignorance; the lapidary upon vanity; the attorney on cupidity; the notary upon possible bad faith—just as the physician lives upon the diseases of men. It is quite true, therefore, that each profession has an immediate interest in the continuation, nay, in the extension, of the special obstacle which it is its business to combat.

Observing this, theorists make their appearance, and, founding a system on their individual sentiments, tell us: Want is wealth, labor is wealth, obstacles to material prosperity are prosperity. To multiply obstacles is to support industry.

Then statesmen intervene. They have the disposal of the public force; and what more natural than to make it available for developing and multiplying obstacles, since this is developing and multiplying wealth? They say, for example: If we prevent the importation of iron from places where it is abundant, we place an obstacle in the way of its being procured. This obstacle, keenly felt at home, will induce men to pay in order to be set free from it. A certain number of our fellow citizens will devote themselves to combating it, and this obstacle will make their fortune. The greater the obstacle is—that is, the scarcer, the more inaccessible, the more difficult to transport, the more distant from the place where it is to be used, the mineral sought for becomes—the more hands will be engaged in the various ramifications of this branch of industry. Exclude, then, foreign iron, create an obstacle, for you thereby create the work that is to overcome it.

The same reasoning leads to the proscription of machinery.

Here, for instance, are men who are in want of casks for the storage of their wine. This is an obstacle; and here are other men whose business it is to remove that obstacle by making the casks that are wanted. It is fortunate, then, that this obstacle should exist, since it gives employment to a branch of national industry, and enriches a certain number of our fellow citizens. But then we have ingenious machinery invented for felling the oak, cutting it up into staves, and forming them into the wine-casks that are wanted. By this means the obstacle is lessened, and so are the gains of the cooper. Let us maintain both at their former elevation by a law, and ban the machinery.

To get at the root of this sophism it is necessary only to reflect that human labor is not the end, but the means. It never remains unemployed. If one obstacle is removed, it does battle with another; and society is freed from two obstacles by the same amount of labor that was formerly required for the removal of one. If the labor of the cooper is rendered unnecessary in one department, it will soon take another direction. But how and from what source will it be remunerated? From the same source exactly from which it is remunerated at present; for when a certain amount of labor becomes disposable by the removal of an obstacle, a corresponding amount of remuneration becomes disposable also. To maintain that human labor will ever come to want employment, would be to maintain that the human race will cease to encounter obstacles. In that case labor would not only be impossible; it would be superfluous. We should no longer have anything to do, because we should be omnipotent; and we should only have to pronounce our fiat in order to ensure the satisfaction of all our desires and the supply of all our wants.

### 3

## EFFORT—RESULT

**W**e have just seen that between our wants and the satisfaction of these wants, obstacles are interposed. We succeed in overcoming these obstacles, or in diminishing their force, by the employment of our faculties. We may say, in a general way, that industry is an effort followed by a result.

But what constitutes the measure of our prosperity, or of our wealth? Is it the result of the effort? Or is it the effort itself? A relation always subsists between the effort employed and the result obtained. Progress consists in the relative enhancement of the second or of the first term of this relation.

Both theses have been maintained; and in political economy they have divided the region of opinion and of thought.

According to the first system, wealth is the result of labor, increasing as the relative proportion of result to effort increases. Absolute perfection, of which God is the type, consists in the infinite distance interposed between the two terms—in this sense, effort is nil, result infinite.



The second system teaches that it is the effort itself that constitutes the measure of wealth. To make progress is to increase the relative proportion which effort bears to result. The ideal of this system may be found in the sterile and eternal efforts of Sisyphus.<sup>1</sup>

The first system naturally welcomes everything which tends to diminish pains and augment products; powerful machinery that increases the forces of man, exchange that allows him to derive greater advantage from natural resources distributed in various proportions over the face of the earth, intelligence that discovers, experience that proves, competition that stimulates, etc.

Logically, the second invokes everything which has the effect of increasing pains and diminishing products; privileges, monopolies, restrictions, prohibitions, suppression of machinery, barrenness, etc.

It is well to remark that the universal practice of mankind always points to the principle of the first system. We have never seen, we shall never see, a man who labors in any department, be he agriculturist, manufacturer, merchant, artificer, soldier, author, or philosopher, who does not devote all the powers of his mind to work better, to work with more rapidity, to work more economically—in a word, to effect more with less.

The opposite doctrine is in favor only with theorists, legislators, journalists, statesmen, ministers—men, in short, born to make experiments on the social body.

At the same time, we may observe that in what concerns themselves personally they act as everyone else does, on the

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<sup>1</sup>For this reason, and for the sake of conciseness, the reader will pardon us for designating this system in the sequel by the name of sisyphism. (Sisyphus in Greek mythology was condemned, as a punishment for his wickedness in this life, to roll a large stone from the bottom to the top of a high hill, which, whenever it reached the top, rolled down again, and thus made his task unending.)

principle of obtaining from labor the greatest possible amount of useful results.

Perhaps I may be thought to exaggerate, and there are no true sisyphists.

If it be argued that in practice they do not press their principle to its most extreme consequences, I willingly grant it. This is always the case when one sets out with a false principle. Such a principle soon leads to results so absurd and so mischievous that we are obliged to stop short. This is the reason why practical industry never admits sisyphism; punishment would follow error too closely not to expose it. But in matters of speculation, such as theorists and statesmen deal in, one may pursue a false principle a long time before discovering its falsity by the complicated consequences to which men were formerly strangers; and when at last its falsity is found out, the authors take refuge in the opposite principle, turn round, contradict themselves, and seek their justification in a modern maxim of incomparable absurdity: in political economy there is no inflexible rule, no absolute principle.

Let us see, then, if these two opposite principles that I have just described do not predominate by turns, the one in practical industry, the other in industrial legislation.

I have already noticed the saying of Mr. Bugeaud that “when bread is dear agriculturists become rich”; but in Mr. Bugeaud are embodied two separate characters, the agriculturist and the legislator.

As an agriculturist, Mr. Bugeaud directs all his efforts to two ends—to save labor, and obtain cheap bread. When he prefers a good plough to a bad one; when he improves his pastures; when, in order to pulverize the soil, he substitutes as much as possible the action of the weather for that of the harrow and the hoe; when he calls to his aid all the processes of which science and experiment have proved the efficacy—he has but one object in view, viz. to diminish the proportion of effort to result. We have indeed no other test of the ability of a cultivator, and the perfection of his processes, than to measure to what extent they have lessened the one and added to the other. And as all the farmers in

the world act upon this principle we may assert that the effort of mankind at large is to obtain, for their own benefit undoubtedly, bread and all other products cheaper, to lessen the labor needed to procure a given quantity of what they want.

This incontestable tendency of mankind once established should, it would seem, reveal to the legislator the true principle, and point out to him in what way he should aid industry (in so far as it falls within his province to aid it); for it would be absurd to assert that human laws should run counter to the laws of Providence.

And yet we have heard Mr. Bugeaud, as a legislator, exclaim: "I understand nothing of this theory of cheapness; I should like better to see bread dearer and labor more abundant." And following out this doctrine, the representative of the Dordogne votes legislative measures, the effect of which is to hamper exchanges, for the very reason that they procure us indirectly what direct production could procure us only at greater expense.

Now, it is very evident that Mr. Bugeaud's principle as a legislator is directly opposed to the principle on which he acts as an agriculturist. To act consistently he should vote against all legislative restriction, or else import into his farming operations the principle that he proclaims from the tribune. We should then see him sow his corn in his most barren fields, for in this way he would succeed in working much to obtain little. We should see him throwing aside the plough, since hand-culture would satisfy his double wish for dearer bread and more abundant labor.

Intervention has for its avowed object, and its acknowledged effect, to increase labor.

It has also for its avowed object, and its acknowledged effect, to cause dearness, which means simply scarcity of products; so that, carried out to its extreme limits, it is pure sisyphism, such as we have defined it—labor infinite, product nil.

Baron Charles Dupin, the light of the peerage, it is said, on economic science, accuses railways of injuring navigation; and it is certain that it is of the nature of a better means of conveyance to reduce the use of a worse means of conveyance. But railways

cannot hurt navigation except by attracting traffic; and they cannot attract traffic but by conveying goods and passengers more cheaply; and they cannot convey them more cheaply but by diminishing the proportion that the effort employed bears to the result obtained, seeing that that is the very thing that constitutes cheapness. When, then, Baron Dupin deplores this diminution of the labor employed to effect a given result, it is the doctrine of sisyphism he preaches. Logically, since he prefers the ship to the rail, he should prefer the cart to the ship, the pack-saddle to the cart, and the pannier to all other known means of conveyance, for it is the latter that exacts the most labor with the least result.

“Work constitutes the wealth of a people,” said Mr. de Saint-Cricq, that Minister of Commerce who has imposed so many restrictions upon trade. We must not suppose that this was an elliptical expression, meaning, “The results of work constitute the wealth of a people.” No, this economist distinctly intended to affirm that it is the intensity of labor that is the measure of wealth, and the proof of it is that, from consequence to consequence, from one restriction to another, he induced France (and in this he thought he was doing her good) to expend double the amount of labor, in order, for example, to provide herself with an equal quantity of iron. In England iron was then at eight francs, while in France it cost sixteen francs. Taking a day’s labor at one franc, it is clear that France could, by means of exchange, procure a quintal of iron by subtracting eight days’ work from the aggregate national labor. In consequence of the restrictive measures of Mr. de Saint-Cricq, France was obliged to expend sixteen days’ labor in order to provide herself with a quintal of iron by direct production. Double the labor for the same satisfaction, hence double the wealth. Then it follows that wealth is not measured by the result, but by the intensity of the labor. Is not this sisyphism in all its purity?

And in order that there may be no mistake as to his meaning, the Minister takes care afterwards to explain more fully his ideas; and as he had just before called the intensity of labor wealth, he goes on to call the more abundant results of that labor, or the

more abundant supply of things proper to satisfy our wants, poverty. "Everywhere," he says, "machinery has taken the place of manual labor; everywhere production superabounds; everywhere the equilibrium between the faculty of producing and the means of consuming is destroyed." We see, then, to what, in Mr. de Saint-Cricq's estimation, the critical situation of the country was owing: it was to having produced too much, and her labor being too intelligent, and too fruitful. We were too well fed, too well clothed, too well provided with everything; a too rapid production surpassed all our desires. It was necessary, then, to put a stop to the evil, and for that purpose to force us, by restrictions, to labor more in order to produce less.

I have referred likewise to the opinions of another Minister of Commerce, Mr. d'Argout. They deserve to be dwelt upon for an instant. Desiring to strike a formidable blow at beet-root culture, he says, "Undoubtedly, the cultivation of beet-root is useful, but this utility is limited. The developments attributed to it are exaggerated. To be convinced of this it is sufficient to observe that this culture will be necessarily confined within the limits of consumption. Double, triple, if you will, the present consumption of France, you will always find that a very trifling portion of the soil will satisfy the requirements of that consumption." (This is surely rather a singular subject of complaint!) "Do you desire proof of this? How many hectares had we under beet-root in 1828?—3,130, which is equivalent to 1-10540th of our arable land. At the present time, when indigenous sugar supplies one-third of our consumption, how much land is devoted to that culture?—16,700 hectares, or 1-1978th of the arable land, or 45 centiares in each commune. Suppose indigenous sugar already supplied our whole consumption we should have only 48,000 hectares under beet-root, or 1-689th of the arable land."<sup>2</sup>

There are two things to be remarked upon in this quotation—the facts and the doctrine. The facts tend to prove that little land,

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<sup>2</sup>1 hectare = 2 acres, 1 rood, 35 perches.

little capital, and little labor are required to produce a large quantity of sugar, and that each commune of France would be abundantly provided by devoting to beet-root cultivation one hectare of its soil. The doctrine consists in regarding this circumstance as adverse, and in seeing in the very power and fertility of the new industry, a limit to its utility.

I do not mean to constitute myself here the defender of beet-root culture, or a judge of the strange facts advanced by Mr. d'Argout; but it is worthwhile to scrutinize the doctrine of a statesman to whom France for a long time entrusted the care of her agriculture and of her commerce.

I remarked at the outset that a variable relation exists between an industrial effort and its result; that absolute imperfection consists in an infinite effort without any result; absolute perfection in an unlimited result without any effort; and perfectibility in the progressive diminution of effort compared with the result.

But Mr. d'Argout tells us there is death where we think we perceive life, and that the importance of any branch of industry is in direct proportion to its powerlessness. What are we to expect, for instance, from the cultivation of beet-root? Do you not see that 48,000 hectares of land, with capital and manual labor in proportion, are sufficient to supply all France with sugar? Then, this is a branch of industry of limited utility; limited, of course, with reference to the amount of labor it demands, the only way in which, according to the ex-Minister, any branch of industry can be useful. This utility would be still more limited if, owing to the fertility of the soil and the richness of the beet-root, we could reap from 24,000 hectares what at present we only obtain from 48,000. Oh! Were only twenty times, a hundred times, more land, capital and labor necessary to yield us the same result, so much the better. We might build some hopes on this new branch of industry, and it would be worthy of state protection, for it would offer a vast field to our national industry. But to produce much with little! That is a bad example, and it is time for the law to interfere.

But what is true with regard to sugar cannot be otherwise with regard to bread. If, then, the utility of any branch of industry is to be estimated not by the amount of satisfaction it is fitted to procure us with a determinate amount of labor, but, on the contrary, by the amount of labor it exacts in order to yield us a determinate amount of satisfactions, what we ought evidently to desire is, that each acre of land should yield less corn, and each grain of corn less nourishment; in other words, that our land should be comparatively barren; for then the quantity of land, capital, and manual labor that would be required for the maintenance of our population would be much more considerable; we could then say that the demand for human labor would be in direct proportion to this barrenness. The aspirations of *Misters Bugeaud, Saint-Cricq, Dupin, and d'Argout* would then be satisfied; bread would be dear, labor abundant, and France rich—rich at least in the sense in which these gentlemen understand the word.

What we should desire also is that human intelligence should be enfeebled or extinguished; for as long as it survives, it will be continually endeavoring to augment the proportion that the end bears to the means, and that the product bears to the labor. It is in that precisely that intelligence consists.

Thus, it appears that sisyphism has been the doctrine of all the men who have been entrusted with our industrial destinies. It would be unfair to reproach them with it. This principle guides Ministers only because it is predominant in the Chambers; and it predominates in the Chambers only because it is sent there by the electoral body, and the electoral body is imbued with it only because public opinion is saturated with it.

I think it right to repeat here that I do not accuse men such as *Misters Bugeaud, Dupin, Saint-Cricq, and d'Argout* of being absolutely and under all circumstances sisyphists. They are certainly not so in their private transactions; for in these they always desire to obtain by way of exchange what would cost them dearer to procure by direct production; but I affirm they are sisyphists when they hinder the country from doing the same thing.

## 4

# TO EQUALIZE THE CONDITIONS OF PRODUCTION

**I**t has been said—but in case I should be accused of putting fallacies into the mouths of the protectionists, I shall allow one of their most vigorous champions to speak for them.

It has been thought that protection in our case should simply represent the difference that exists between the cost price of a commodity that we produce and the cost price of the same commodity produced by our neighbors. . . . A protective duty calculated on this basis would only ensure free competition . . . free competition exists only when there is equality in the conditions and in the charges. In the case of a horse-race, we ascertain the weight each horse has to carry, and so Equalize the conditions; without that there could be no fair competition. In the case of trade, if one of the sellers can bring his commodity to market at less cost, he ceases to be a competitor, and becomes a monopolist. . . . Do away with this protection that represents the difference of cost



price, and the foreigner invades our markets and acquires a monopoly.<sup>1</sup>

Everyone must wish, for his own sake, as well as for the sake of others, that the production of the country should be protected against foreign competition whenever the latter can furnish products at a lower price.<sup>2</sup>

This argument recurs continually in works of the protectionist school. I propose to examine it carefully, and I solicit earnestly the reader's patience and attention. I shall consider, first of all, the inequalities attributable to nature, and afterwards those which are attributable to differences in taxation.

In this, as in other cases, we shall find protectionist theorists viewing their subject from the producer's standpoint, while we advocate the cause of the unfortunate consumers, whose interests they studiously keep out of sight. They institute a comparison between the field of industry and a horse race. But as regards the latter, the race is at once the means and the end. The public feel no interest in the competition beyond the competition itself. When you start your horses, your end, your object, is to find out which is the swiftest runner, and I see your reason for equalizing the weights. But if your end, your object, were to secure the arrival of some important and urgent news at the finish line, could you, without inconsistency, throw obstacles in the way of anyone who should offer you the best means of expediting your message? This is what you do in commercial affairs. You forget the end, the object sought to be attained, which is material prosperity; you disregard it, you sacrifice it to a veritable *petitio principii*; in plain language, you are begging the question.

But since we cannot bring our opponents to our point of view, let us place ourselves in theirs, and examine the question in its relations with production.

I shall endeavor to prove:

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<sup>1</sup>Viscount de Romanet.

<sup>2</sup>Matthieu de Dombasle.

First—That to level and Equalize the conditions of labor is to attack exchange in its essence and principle.

Second—That it is not true that the labor of a country is neutralized by the competition of more favored countries.

Third—That if that were true, protective duties would not Equalize the conditions of production.

Fourth—That liberty, freedom of trade, levels these conditions as much as they can be levelled.

Fifth—That the least favored countries gain most by exchange.

1. To level and Equalize the conditions of labor is not simply to cramp exchanges in certain branches of trade; it is to attack exchange in its principle, for its principle rests upon that very diversity, upon those very inequalities of fertility, aptitude, climate, and temperature, that you desire to efface. If Guiènne sends wine to Brittany, and if Brittany sends corn to Guiènne, it arises from their being situated under different conditions of production. Is there a different law for international exchanges? To urge against international exchanges that inequality of conditions that gives rise to them and explains them, is to argue against their very existence. If protectionists had on their side sufficient logic and power, they would reduce men, like snails, to a state of absolute isolation. Moreover, there is not one of their fallacies which, when submitted to the test of rigorous deductions, does not obviously tend to destruction and annihilation.

2. It is not true, in point of fact, that inequality of conditions existing between two similar branches of industry entails necessarily the ruin of that which is less favorably situated. On the race track, if one horse gains the prize, the other loses it; but when two horses are employed in useful labor, each produces a beneficial result in proportion to its powers; and if the more vigorous renders the greater service, it does not follow that the other renders no service at all. We cultivate wheat in all the departments of France, although there are between them enormous differences of fertility; and if there be any one department that does not cultivate wheat, it is because it is not profitable to engage in that

species of culture in that locality. In the same way, analogy shows us that under the regime of liberty, in spite of similar differences, they produce wheat in all the countries of Europe; and if there be one that abandons the cultivation of that grain, it is because it is found more for its interest to give another direction to the employment of its land, labor, and capital. And why should the fertility of one department not paralyze the agriculturist of a neighboring department less favorably situated? Because the economic phenomena have a flexibility, an elasticity, levelling powers, so to speak, that appear to have altogether escaped the notice of the protectionist school. That school accuses us of being dogmatic; but it is the protectionists who are systematic in the last degree, if dogmatism consists in bolstering up arguments that rest upon one fact instead of upon an aggregation of facts. In the example which I have given, it is the difference in the value of lands that compensates the difference in their fertility. Your field produces three times more than mine. Yes, but it has cost you ten times more, and I can still compete with you. This is the whole mystery. And observe that superiority in some respects leads to inferiority in others. It is just because your land is more fertile that it is dearer; so that it is not accidentally, but necessarily, that the equilibrium is established, or tends to be established; and it cannot be denied that liberty is the system that is most favorable to this tendency.

I have referred to a branch of agricultural industry; I might as well have referred to industry in a different department. There are tailors at Quimper, and that does not hinder there being tailors also in Paris, though the latter pay a higher rent, and live at much greater expense. But then they have a different set of customers, and that serves not only to redress the balance, but to make it incline to their side.

When we speak, then, of equalizing the conditions of labor, we must examine whether liberty gives us what we seek from an arbitrary system.

This natural levelling power of the economic phenomena is so important to the question we are considering, and at the same

time so fitted to inspire us with admiration of the providential wisdom that presides over the equitable government of society, that I must ask permission to dwell upon it for a little.

The protectionist gentlemen tell us: Such or such a people have over us an advantage in the cheapness of coal, of iron, of machinery, of capital—we cannot compete with them.

We shall examine the proposition afterwards under all its aspects. At present, I confine myself to the inquiry whether, when a superiority and an inferiority are both present, they do not possess in themselves, the one an ascending, the other a descending force, which must ultimately bring them back to a just equilibrium.

Suppose two countries, A and B. A possesses over B all kinds of advantages. You infer from this that every sort of industry will concentrate itself in A, and that B is powerless. A, you say, sells much more than it buys; B buys much more than it sells. I might dispute this, but I will allow your hypothesis.

On this hypothesis, labor is much in demand in A, and will soon rise in price there.

Iron, coal, land, food, capital are much in demand in A, and they will soon rise in price there.

Contemporaneously with this, labor, iron, coal, land, food, capital are in little request in B, and will soon fall in price there. Nor is this all. While A is always selling, and B is always buying, money passes from B to A. It becomes abundant in A, and scarce in B.

But abundance of money means that we must have plenty of it to buy everything else. Then in A, to the real dearness that arises from a very active demand, there is added a nominal dearness, which is due to an excess of money.

Scarcity of money means that little is required for each purchase. Then in B a nominal cheapness comes to be combined with real cheapness.

In these circumstances, industry will have all sorts of motives—motives, if I may say so, carried to the highest degree of intensity—to desert A and establish itself in B.

Or, to come nearer what would actually take place under such circumstances, we may affirm that sudden displacements being so repugnant to the nature of industry, such a transfer would not have been so long delayed, but that from the beginning, under the free system, it would have gradually and progressively shared and distributed itself between A and B, according to the laws of supply and demand—that is to say, according to the laws of justice and utility.

And when I assert that if it were possible for industry to concentrate itself upon one point, that very circumstance would set in motion an irresistible decentralizing force, I indulge in no idle hypothesis.

Let us listen to what was said by a manufacturer in addressing the Manchester Chamber of Commerce (I omit the figures by which he supported his demonstration):

“Formerly we exported woven goods; then that exportation gave place to that of yarns, which are the raw material of woven goods; then to that of machines, which are the instruments for producing yarn, afterwards to the exportation of the capital with which we construct our machines; finally to that of our workmen and our industrial skill, which are the source of our capital. All these elements of labor, one after the other, are set to work wherever they find the most advantageous opening, wherever the expense of living is cheaper and the necessaries of life are most easily procured; and at the present day, in Prussia, in Austria, in Saxony, in Switzerland, in Italy, we see manufactures on an immense scale founded and supported by English capital, worked by English operatives, and directed by English engineers.”

You see very clearly, then, that nature, or rather that Providence, more wise, more far-seeing than your narrow and rigid theory supposes, has not ordered this concentration of industry, this monopoly of all advantages upon which you found your reasoning as upon a fact that is unalterable and without remedy. Nature has provided, by means as simple as they are infallible, that there should be dispersion, diffusion, coordination, simultaneous progress; all constituting a state of things that your restrictive

laws paralyze as much as they can; for the tendency of such laws is, by isolating communities, to render the diversity of condition much more marked, to prevent equalization, hinder integration, neutralize countervailing circumstances, and segregate nations, whether in their superiority or in their inferiority of condition.

3. In the third place, to contend that by a protective duty you Equalize the conditions of production, is to give currency to an error by a deceptive form of speech. It is not true that an import duty equalizes the conditions of production. These remain, after the imposition of the duty, the same as they were before. At most, all that such a duty equalizes are the conditions of sale. It may be said, perhaps, that I am playing upon words, but I throw back the accusation. It is for my opponents to show that production and sale are synonymous terms; and if they cannot do this, I am warranted in fastening upon them the reproach, if not of playing on words, at least of mixing them up and confusing them.

To illustrate what I mean by an example: I suppose some Parisian speculators to devote themselves to the production of oranges. They know that the oranges of Portugal can be sold in Paris for a penny apiece, while they, on account of the frames and hot-houses that the colder climate would render necessary, could not sell them for less than a shilling as a remunerative price. They demand that Portuguese oranges should have a duty of elevenpence imposed upon them. By means of this duty, they say, the conditions of production will be equalized; and the Chamber, giving effect, as it always does, to such reasoning, inserts in the tariff a duty of elevenpence upon every foreign orange.

Now, I maintain that the conditions of production are in no way changed. The law has made no change on the heat of the sun in Lisbon, or on the frequency and intensity of the frosts of Paris. The ripening of oranges will continue to go on naturally on the banks of the Tagus, and artificially on the banks of the Seine—that is to say, much more human labor will be required in the one country than in the other. The conditions of sale are what have been equalized. The Portuguese must now sell us their oranges at a shilling, elevenpence of which goes to pay the tax. That tax will

be paid, it is evident, by the French consumer. And look at the nonsensical result. Upon each Portuguese orange consumed, the country will lose nothing, for the extra elevenpence charged to the consumer will be paid into the treasury. This will cause displacement, but not loss. But upon each French orange consumed there will be a loss of elevenpence, or nearly so, for the purchaser will certainly lose that sum, and the seller as certainly will not gain it, seeing that by the hypothesis he will only have received the cost price. I leave it to the protectionists to draw the inference.

4. If I dwelt upon this distinction between the conditions of production and the conditions of sale, a distinction that the protectionists will no doubt pronounce paradoxical, it is because it leads me to impose on them another, and a much stranger, paradox, which is this: Would you Equalize effectually the conditions of production, leave exchange free?

Now, really, it will be said, this is too much; you must be making fun of us. Well, then, were it only for curiosity, I entreat the gentlemen protectionists to follow me on to the conclusion of my argument. It will not be long. I revert to my former illustration.

Let us suppose for a moment that the average daily wage that a Frenchman earns is equal to a shilling, and it follows incontestably that to produce directly an orange in France, a day's work, or its equivalent, is required: while to produce the value of a Portuguese orange only a twelfth of that day's labor would be necessary; which means exactly this, that the sun does at Lisbon what human labor does at Paris. Now, is it not very evident that if I can produce an orange or, what comes to the same thing, the means of purchasing one, with a twelfth part of a day's labor, I am placed, with respect to this production, under exactly the same conditions as the Portuguese producer himself, excepting the carriage, which must be at my expense. It is certain, then, that liberty equalizes the conditions of production direct or indirect, as far as they can be equalized, since it leaves no other difference but the inevitable one arising from the expense of transport.

I add that liberty equalizes also the conditions of enjoyment, of satisfaction, of consumption, with which the Protectionists never concern themselves, and which are yet the essential consideration, consumption being the end and object of all our industrial efforts. In virtue of Free Trade we enjoy the sun of Portugal like the Portuguese themselves. The inhabitants of Havre and the citizens of London are put in possession, and on the same conditions, of all the mineral resources that nature has bestowed on Newcastle.

5. Gentlemen protectionists, you find me in a paradoxical mood; and I am disposed to go further still. I say, and I sincerely think, that if two countries are placed under unequal conditions of production, it is that one of the two that is least favored by nature that has most to gain by Free Trade. To prove this, I must depart a little from the usual form of such a work as this. I shall do so nevertheless, first of all, because the entire question lies there, and also because it will afford me an opportunity of explaining an economic law of the highest importance, and which, if rightly understood, appears to me to be fitted to bring back to the science all those sects who in our day seek in the land of chimeras that social harmony which they fail to discover in nature. I refer to the law of consumption, which it is perhaps to be regretted that the majority of economists have neglected.

Consumption is the end and final cause of all the economic phenomena, and it is in consumption consequently that we must expect to find their ultimate and definitive solution.

Nothing, whether favorable or unfavorable, can abide permanently with the producer. The advantages that nature and society bestow upon him, the inconveniences he may experience, pass through him, so to speak, and are absorbed and mixed up with the community in so far as the community represents consumers. This is an admirable law both in its cause and in its effects, and he who shall succeed in clearly describing it is entitled, in my opinion, to say, "I have not passed through life without paying my debt to society."



Everything that favors the work of production is welcomed with joy by the producer, for the immediate effect of it is to put him in a situation to render greater service to the community, and to exact from it a greater remuneration. Every circumstance that retards or interrupts production gives pain to the producer, for the immediate effect of it is to circumscribe his services, and consequently his remuneration. Immediate good or ill circumstances—fortunate or unfortunate—necessarily fall upon the producer, and leave him no choice but to accept the one and eschew the other.

In the same way, when a workman succeeds in discovering an improved process in manufactures, the immediate profit from the improvement results to him. This was necessary in order to give his labor an intelligent direction; and it is just, because it is fair that an effort crowned with success should carry its recompense along with it.

But I maintain that these good or bad effects, though in their own nature permanent, are not permanent as regards the producer. If it had been so, a principle of progressive, and therefore of indefinite, inequality would have been introduced among men, and this is the reason why these good or evil effects become very soon absorbed in the general destinies of the human race.

How is this brought about? I shall show how it takes place by some examples.

Let us go back to the thirteenth century. The men who then devoted themselves to the art of copying received for the service they rendered a remuneration regulated by the general rate of profits. Among them there arose one who discovered the means of multiplying copies of the same work rapidly. He invented printing.

In the first instance, one man was enriched, and many others were impoverished. At first sight, marvellous as the invention proves itself to be, we hesitate to decide whether it is hurtful or useful. It seems to introduce into the world, as I have said, an indefinite element of inequality. Gutenberg profits by his invention, and extends his invention with its profits indefinitely, until

he has ruined all the copyists. As regards the public, in the capacity of consumer, it gains little; for Gutenberg takes care not to lower the price of his books, but just enough to undersell his rivals.

But the intelligence that has introduced harmony into the movements of the heavenly bodies has implanted it also in the internal mechanism of society. We shall see the economic advantages of the invention when it has ceased to be individual property, and has become forever the common patrimony of the masses.

At length the invention comes to be known. Gutenberg is no longer the only printer; others imitate him. Their profits at first are large. They are thus rewarded for having been the first to imitate the invention; and it is right that it should be so, for this higher remuneration was necessary to induce them to concur in the grand definite result that is approaching. They gain a great deal, but they gain less than the inventor, for competition now begins its work. The price of books goes on falling. The profit of imitators goes on diminishing in proportion as the invention becomes of older date; that is to say, in proportion as the imitation becomes less meritorious. . . . The new branch of industry at length reaches its normal state; in other words, the remuneration of printers ceases to be exceptionally high, and comes, like that of the copyists, to be regulated by the ordinary rate of profits. Here we have production, as such, brought back to the point from which it started. And yet the invention is not the less an acquisition; the saving of time, of labor, of effort to produce a given result, that is, to produce a determinate number of copies is not the less realized. But how does it show itself? In the cheapness of books. And to whose profit? To the profit of the consumer, of society, of the human race. The printers, who have thenceforth no exceptional merit, no longer receive exceptional remuneration. As men, as consumers, they undoubtedly participate in the advantages that the invention has conferred upon the community. But that is all. As printers, as producers, they have returned to the ordinary condition of the other producers of the country. Society

pays them for their labor, and not for the utility of the invention. The latter has become the common and gratuitous heritage of mankind at large.

I confess that the wisdom and the beauty of these laws call forth my admiration and respect. I see in them Saint-Simonianism: To each according to his capacity; to each capacity according to its works. I see in them communism; that is, the tendency of products to become the common heritage of men; but a Saint-Simonianism, a communism, regulated by infinite prescience, and not abandoned to the frailties, the passions, and the arbitrary will of men.

What I have said of the art of printing may be affirmed of all the instruments of labor, from the nail and the hammer to the locomotive and the electric telegraph. Society becomes possessed of all through its more abundant consumption, and it enjoys all gratuitously, for the effect of inventions and discoveries is to reduce the price of commodities; and all that part of the price which has been annihilated, and which represents the share invention has in production evidently renders the product gratuitous to that extent. All that remains to be paid for is the human labor, the immediate labor, and it is paid for without reference to the result of the invention, at least when that invention has passed through the cycle I have just described—the cycle it is designed to pass through. I send for a workman to my house; he comes and brings his saw with him. I pay him two shillings for his day's work, and he saws me twenty-five boards. Had the saw not been invented, he would probably not have been able to furnish me with one, and I should have had to pay him the same wages for his day's work. The utility produced by the saw is then, as far as I am concerned, a gratuitous gift of nature, or, rather, it is a part of that inheritance that, in common with all my brethren, I have received from my ancestors. I have two workmen in my field. The one handles the plough, the other the spade. The result of their labor is very different, but the day's wages are the same, because the remuneration is not proportioned to the utility produced, but to the effort, the labor, that is exacted.

I entreat the reader's patience, and beg him to believe that I have not lost sight of Free Trade. Let him only have the goodness to remember the conclusion at which I have arrived: Remuneration is not in proportion to the utilities the producer brings to market, but to his labor.<sup>3</sup>

I have drawn my illustrations as yet from human inventions. Let us now turn our attention to natural advantages.

In every branch of production nature and man concur. But the portion of utility that nature contributes is always gratuitous. It is only the portion of utility contributed by human labor that forms the subject of exchange and, consequently, of remuneration. The latter varies, no doubt, very much in proportion to the intensity of the labor, its skill, its promptitude, its suitableness, the need there is of it, the temporary absence of rivalry, etc. But it is not the less true, in principle, that the concurrence of natural laws, which are common to all, counts for nothing in the price of the product.

We do not pay for the air we breathe, although it is so useful to us that, without it, we could not live two minutes. We do not pay for it, nevertheless, because nature furnishes it to us without the aid of human labor. But if, for example, we should desire to separate one of the gases of which it is composed to make an experiment, we must make an exertion; or if we wish another to make that exertion for us we must sacrifice for that other an equivalent amount of exertion, although we may have embodied it in another product. Whence we see that pains, efforts, and exertions are the real subjects of exchange. It is not, indeed, the oxygen gas that I pay for, since it is at my disposal everywhere, but the labor necessary to disengage it, labor that has been saved me, and that must be recompensed. Will it be said that there is something else to be paid for, materials, apparatus, etc? Still, in

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<sup>3</sup>It is true that labor does not receive a uniform remuneration. It may be more or less Intense, dangerous, skilled, etc. Competition settles the usual or current price in each department—and this is the fluctuating price of which I speak.

paying for these I pay for labor. The price of the coal employed, for example, represents the labor necessary to extract it from the mine and to transport it to the place where it is to be used.

We do not pay for the light of the sun, because it is a gift of nature. But we pay for gas, tallow, oil, wax, because there is here human labor to be remunerated; and it will be noted that, in this case, the remuneration is proportioned, not to the utility produced, but to the labor employed, so much so, that it may happen that one of these kinds of artificial light, though more intense, costs us less, and for this reason that the same amount of human labor affords us more of it.

Were the porter who carries water to my house to be paid in proportion to the absolute utility of water, my whole fortune would be insufficient to remunerate him. But I pay him in proportion to the exertion he makes. If he charges more, others will do the work, or, if necessary, I will do it myself. Water, in truth, is not the subject of our bargain, but the labor of carrying it. This view of the matter is so important, and the conclusions that I am about to deduce from it throw so much light on the question of the freedom of international exchanges, that I deem it necessary to elucidate it by other examples.

The alimentary substance contained in potatoes is not very costly, because we can obtain a large amount of it with comparatively little labor. We pay more for wheat, because the production of it costs a greater amount of human labor. It is evident that if nature did for the one what it does for the other, the price of both would tend to equality. It is impossible that the producer of wheat should permanently gain much more than the producer of potatoes. The law of competition would prevent it.

If by happy miracle the fertility of all arable lands should come to be augmented, it would not be the agriculturist but the consumer who would reap advantage from that phenomenon, for it would resolve itself into abundance and cheapness. There would be less labor incorporated in each quarter of corn, and the cultivator could exchange it only for a smaller amount of labor worked up in some other product. If, on the other hand, the fertility of the

soil came all at once to be diminished, nature's part in the process of production would be less, that of human labor would be greater, and the product dearer. I am, then, warranted in saying that it is in consumption, in the human element, that all the economic phenomena come ultimately to resolve themselves. The man who has failed to regard them in this light, to follow them out to their ultimate effects, without stopping short at immediate results, and viewing them from the producer's standpoint, can no more be regarded as an economist than the man who should prescribe a draught, and, instead of watching its effect on the entire system of the patient, should inquire only how it affected the mouth and throat, could be regarded as a physician.

Tropical regions are very favorably situated for the production of sugar and of coffee. This means that nature does a great part of the work, and leaves little for human labor to do. But who reaps the advantage of this liberality of nature? Not the producing countries, for competition causes the price barely to remunerate the labor. It is the human race that reaps the benefit, for the result of nature's liberality is cheapness, and cheapness benefits everybody.

Imagine a temperate region where coal and iron-ore are found on the surface of the ground, where one has only to stoop down to get them. That, in the first instance, the inhabitants would profit by this happy circumstance, I allow. But competition would soon intervene, and the price of coal and iron-ore would go on falling, till the gift of nature became free to all, and then the human labor employed would be alone remunerated according to the general rate of earnings.

Thus, the liberality of nature, like improvements in the processes of production, is, or continually tends to become, under the law of competition, the common and gratuitous patrimony of consumers, of the masses, of mankind in general. Then, the countries that do not possess these advantages have everything to gain by exchanging their products with those countries that possess them, because the subject of exchange is labor, apart from the consideration of the natural utilities worked up with that labor;

and the countries that have incorporated in a given amount of their labor the greatest amount of these natural utilities, are evidently the most favored countries. Their products, which represent the least amount of human labor, are the least profitable; in other words, they are cheaper; and if the whole liberality of nature resolves itself into cheapness, it is evidently not the producing but the consuming country that reaps the benefit.

Hence we see the enormous absurdity of consuming countries that reject products for the very reason that they are cheap. It is as if they said, "We want nothing that nature gives us. You ask me for an effort equal to two in exchange for a product that I cannot create without an effort equal to four; you can make that effort, because in your case nature does half the work. If that is the case, I reject your offer, and I shall wait until your climate, having become more inclement, will force you to demand from me an effort equal to four, in order that I may treat you on a footing of equality."

A is a favored country. B is a country to which nature has been less bountiful. I maintain that exchange benefits both, but benefits B especially; because exchange is not an exchange of utilities for utilities, but of value for value. Now A includes a greater amount of utility in the same value, seeing that the utility of a product includes what nature has put there as well as what labor has put there; whilst value includes only what labor has put there. Then B makes quite an advantageous bargain. In recompensing the producer of A for his labor only it receives into the bargain a greater amount of natural utility than it has given.

This enables us to lay down the general rule: Exchange is a barter of values; value under the action of competition being made to represent labor, exchange becomes a barter of equal labor. What nature has imparted to the products exchanged is on both sides given gratuitously and into the bargain; whence it follows necessarily that exchanges effected with countries the most favored by nature are the most advantageous.

The theory of which in this chapter I have endeavored to trace the outlines would require great developments. I have

glanced at it only in as far so it bears upon my subject of Free Trade. But perhaps the attentive reader may have perceived in it the fertile germ which in the fullness of its maturity will not only smother Protection, but along with it Fourierism, Saint-Simonianism, communism, and all those schools whose object it is to exclude from the government of the world the law of COMPETITION. Regarded from the producer's point of view, competition no doubt frequently clashes with our immediate and individual interests; but if we change our point of view and extend our regards to industry in general, to universal prosperity—in a word, to consumption—we shall find that competition in the moral world plays the same part that equilibrium does in the material world. It lies at the root of true communism, of true socialism, of that equality of conditions and of happiness so much desired in our day; and if so many sincere publicists and well-meaning reformers seek after the arbitrary, it is for this reason—that they do not understand liberty.





## 5

### OUR PRODUCTS ARE BURDENED WITH TAXES

**W**e have here, again, the same fallacy. We demand that foreign products should be taxed to neutralize the effect of the taxes that weigh upon our national products. The object, then, still is to equalize the conditions of production. We have only a word to say, and it is this: That the tax is an artificial obstacle that produces exactly the same result as a natural obstacle, its effect is to enhance prices. If this enhancement reach a point that makes it a greater loss to create the product for ourselves than to procure it from abroad by producing a counter value, let well alone. Of two evils, private interest will manage to choose the least. I might then simply refer the reader to the preceding demonstration; but the fallacy we have here to combat recurs so frequently in the lamentations and demands—I might say in the challenges—of the protectionist school as to merit a special discussion.

If the question relates to one of those exceptional taxes that are imposed on certain products, I grant readily that it is reasonable to

impose the same duty on the foreign product. For example, it would be absurd to exempt foreign salt from duty; not that, in an economical point of view, France would lose anything by doing so, but the reverse. Let them say what they will, principles are always the same; and France would gain by the exemption as she must always gain by removing a natural or artificial obstacle. But in this instance the obstacle has been interposed for purposes of revenue. These purposes must be attained; and were foreign salt sold in our market duty free, the Treasury would lose its hundred millions of francs (four millions sterling), and must raise that sum from some other source. There would be an obvious inconsistency in creating an obstacle, and failing in the object. It might have been better to have had recourse at first to another tax than upon French salt. But I admit that there are certain circumstances in which a tax may be laid on foreign commodities, provided it is not protective, but fiscal.

But to pretend that a nation, because she is subjected to heavier taxes than her neighbors, should protect herself by tariffs against the competition of her rivals, in this is a fallacy, and it is this fallacy that I intend to attack.

I have said more than once that I propose only to explain the theory, and lay open, as far as possible, the sources of protectionist errors. Had I intended to raise a controversy, I should have asked the protectionists why they direct their tariffs chiefly against England and Belgium, the most heavily taxed countries in the world? Am I not warranted in regarding their argument only as a pretext? But I am not one of those who believe that men are protectionists from self-interest, and not from conviction. The doctrine of protection is too popular not to be sincere. If the majority had faith in liberty, we should be free. Undoubtedly it is self-interest that makes our tariffs so heavy; but conviction is at the root of it. "The will," says Pascal, "is one of the principal organs of belief." But the belief exists nevertheless, although it has its root in the will, and in the insidious suggestions of selfishness.

Let us revert to the fallacy founded on taxation.

The State may make a good or a bad use of the taxes it levies. When it renders to the public services that are equivalent to the value it receives, it makes a good use of them. And when it dissipates its revenues without giving any service in return, it makes a bad use of them.

In the first case, to affirm that the taxes place the country that pays them under conditions of production more unfavorable than those of a country that is exempt from them, is a fallacy. We pay twenty millions of francs for justice and police; but then we have them, with the security they afford us, and the time they save us; and it is very probable that production is neither more easy nor more active in those countries, if there are any such, where the people take the business of justice and police into their own hands. We pay many hundreds of millions of francs for roads, bridges, harbors, and railways. Granted; but then we have the benefit of these roads, bridges, harbors, and railways; and whether we make a good or a bad bargain in constructing them, it cannot be said that they render us inferior to other nations, who do not indeed support a budget of public works, but who have no public works. And this explains why, while accusing taxation of being a cause of industrial inferiority, we direct our tariffs especially against those countries that are the most heavily taxed. Their taxes, well employed, far from harming, have improved the conditions of production in these countries. Thus we are continually arriving at the conclusion that protectionist fallacies are not only not true, but are the very reverse of true.

If taxes are unproductive, suppress them, if you can; but assuredly the strangest mode of neutralizing their effect is to add individual to public taxes. Fine compensation truly! You tell us that the State taxes are too much; and you give that as a reason why we should tax one another!

A protective duty is a tax directed against a foreign product; but we must never forget that it falls back on the home consumer. Now the consumer is the tax-payer. The agreeable language you address to him is this: "Because your taxes are heavy, we raise the

price of everything you buy; because the State lays hold of one part of your income, we hand over another to the monopolist.”

But let us penetrate a little deeper into this fallacy that is in such repute with our legislators, although the extraordinary thing is that it is the very people who maintain unproductive taxes who attribute to them our industrial inferiority, and in that inferiority find an excuse for imposing other taxes and restrictions.

It appears evident to me that the nature and effects of protection would not be changed, were the State to levy a direct tax and distribute the money afterwards in premiums and indemnities to the privileged branches of industry.

Suppose that while foreign iron cannot be sold in our market below eight francs, French iron cannot be sold for less than twelve francs.

On this hypothesis, there are two modes in which the State can secure the home market to the producer.

The first mode is to lay a duty of five francs on foreign iron. It is evident that that duty would exclude it, since it could no longer be sold under thirteen francs, namely, eight francs for the cost price and five francs for the tax, and at that price it would be driven out of the market by French iron, the price of which we suppose to be only twelve francs. In this case, the purchaser, the consumer, would bear the whole cost of the protection.

Or again, the State might levy a tax of five francs from the public, and give the proceeds as a premium to the ironmaster. The protective effect would be the same. Foreign iron would in this case be equally excluded; for our ironmaster can now sell his iron at seven francs, which, with the five francs premium, would make up to him the remunerative price of twelve francs. But with home iron at seven francs, the foreigner could not sell his for eight, which by the supposition is his lowest remunerative price.

Between these two modes of going to work, I can see only one difference. The principle is the same; the effect is the same: but in the one, certain individuals pay the price of protection; in the other, it is paid for by the nation at large.

I frankly avow my predilection for the second mode. It appears to me more just, more economical, and more honorable; more just, because if society desires to give largess to some of its members, all should contribute; more economical, because it would save much expense in collecting, and get us rid of many restrictions; more honorable, because the public would then see clearly the nature of the operation, and act accordingly.

But if the protectionist system had taken this form, it would have been laughable to hear men say: "We pay heavy taxes for the army, for the navy, for the administration of justice, for public works, for the university, the public debt, etc., in all exceeding a milliard (£40,000,000 sterling). For this reason, the State should take another milliard from us to relieve these poor ironmasters, these poor shareholders in the coalmines of Anzin, these unfortunate proprietors of forests, these useful men who supply us with cod-fish."

Look at the subject closely, and you will be satisfied that this is the true meaning and effect of the fallacy we are combating. It is all in vain; you cannot give money to some members of the community but by taking it from others. If you desire to ruin the tax-payer, you may do so. But at least do not banter him by saying: "In order to compensate your losses, I take from you again as much as I have taken from you already."

To expose fully all that is false in this fallacy would be an endless work. I shall confine myself to three observations.

You assert that the country is overburdened with taxes, and on this fact you found an argument for the protection of certain branches of industry. But we have to pay these taxes in spite of protection. If, then, a particular branch of industry presents itself, and says, "I share in the payment of taxes; that raises the cost price of my products, and I demand that a protecting duty should also raise their selling price," what does such a demand amount to? It amounts simply to this, that the tax should be thrown over on the rest of the community. The object sought for is to be reimbursed the amount of the tax by a rise of prices. But as the Treasury requires to have the full amount of all the taxes, and as the

masses have to pay the higher price, it follows that they have to bear not only their own share of taxation but that of the particular branch of industry that is protected. But we mean to protect everybody, you will say. I answer, in the first place, that that is impossible; and, in the next place, that if it were possible, there would be no relief. I would pay for you, and you would pay for me; but the tax must be paid all the same.

You are thus the dupes of an illusion. You wish in the first instance to pay taxes in order that you may have an army, a navy, a church, a university, judges, highways, etc., and then you wish to free from taxation first one branch of industry, then a second, then a third, always throwing back the burden upon the masses. You do nothing more than create interminable complications, without any other result than these complications themselves. Show me that a rise of price caused by protection falls upon the foreigner, and I could discover in your argument something specious. But if it be true that the public pays the tax before your law, and that after the law is passed it pays for protection and the tax into the bargain, truly I cannot see what is gained by it.

But I go further, and maintain that the heavier our taxes are, the more we should hasten to throw open our ports and our frontiers to foreigners less heavily taxed than ourselves. And why? In order to throw back upon them a greater share of our burden. Is it not an incontestable axiom in political economy that taxes ultimately fall on the consumer? The more, then, our exchanges are multiplied, the more will foreign consumers reimburse us for the taxes incorporated and worked up in the products we sell them; while we in this respect will have to make them a smaller restitution, seeing that their products, according to our hypothesis, are less heavily burdened than ours.

Finally, have you never asked yourselves whether these heavy burdens on which you found your argument for a prohibitory system are not caused by that very system? If commerce were free, what use would you have for your great standing armies and powerful navies? . . . But this belongs to the domain of politics.

## 6

### BALANCE OF TRADE

Our adversaries have adopted tactics that are rather embarrassing. Do we establish our doctrine? They admit it with the greatest possible respect. Do we attack their principle? They abandon it with the best grace in the world. They demand only one thing—that our doctrine, which they hold to be true, should remain relegated to books, and that their principle, which they acknowledge to be vicious, should reign paramount in practical legislation. Resign to them the management of tariffs, and they will give up all dispute with you in the domain of theory.

“Assuredly,” said Mr. Gauthier de Rumilly, on a recent occasion, “no one wishes to resuscitate the antiquated theories of the balance of trade.” Very right, Mr. Gauthier, but please remember that it is not enough to give a passing slap to error, and immediately afterwards and for two hours at a time, reason as if that error were truth.

Let me speak of Mr. Lestiboudois. Here we have a consistent reasoner, a logical disputant. There is nothing in his conclusions



that is not to be found in his premises. He asks nothing in practice but what he justifies in theory. His principle may be false; that is open to question. But at any rate, he has a principle. He believes, and he proclaims it aloud, that if France gives ten, in order to receive fifteen, she loses five; and it follows, of course, that he supports laws that are in keeping with this view of the subject.

“The important thing to attend to,” he says, “is that the amount of our importations goes on augmenting, and exceeds the amount of our exportations—that is to say, France every year purchases more foreign products, and sells less of her own. Figures prove this. What do we see? In 1842 imports exceeded exports by 200 million. These facts appear to prove in the clearest manner that national industry is not sufficiently protected, that we depend upon foreign labor for our supplies, that the competition of our rivals oppresses our industry. The present law appears to me to recognize the fact that the economists are wrong in saying that when we purchase we necessarily sell a corresponding amount of commodities. It is evident that we can purchase, not with our usual products, not with our revenue, not with the results of permanent labor, but with our capital, with products that have been accumulated and stored up, those intended for reproduction—that is to say, that we may expend, that we may dissipate, the proceeds of previous economies, that we may impoverish ourselves, that we may proceed on the road to ruin, and consume entirely the national capital. This is exactly what we are doing. Every year we give away 200 million francs to the foreigner.”

Well, here is a man with whom we can come to an understanding. There is no hypocrisy in this language. The doctrine of the balance of trade is openly avowed. France imports 200 million more than she exports. Then we lose 200 millions a year. And what is the remedy? To place restrictions on importation. The conclusion is unexceptionable.

It is with Mr. Lestibouois, then, that we must deal, for how can we argue with Mr. Gauthier? If you tell him that the balance

of trade is an error, he replies that that was what he laid down at the beginning. If you say that the balance of trade is a truth, he will reply that that is what he proves in his conclusions.

The economist school will blame me, no doubt, for arguing with Mr. Lestibouois. To attack the balance of trade, it will be said, is to fight with a windmill.

But take care. The doctrine of the balance of trade is neither so antiquated, nor so sick, nor so dead as Mr. Gauthier would represent it, for the entire Chamber—Mr. Gauthier himself included—has recognized by its votes the theory of Mr. Lestibouois.

I shall not fatigue the reader by proceeding to probe that theory, but content myself with subjecting it to the test of facts.

We are constantly told that our principles do not hold good, except in theory. But tell me, gentlemen, if you regard the books of merchants as holding good in practice? It appears to me that if there is anything in the world that should have practical authority when the question regards profit and loss, it is commercial accounts. Have all the merchants in the world come to an understanding for centuries to keep their books in such a way as to represent profits as losses, and losses as profits? It may be so, but I would much rather come to the conclusion that Mr. Lestibouois is a bad economist.

Now, a merchant of my acquaintance having had two transactions, the results of which were very different, I felt curious to compare the books of the counting-house with the books of the Customhouse, as interpreted by Mr. Lestibouois to the satisfaction of our six hundred legislators.

M.T. dispatched a ship from Havre to the United States, with a cargo of French goods, chiefly those known as articles from Paris, amounting to 200,000 francs. This was the figure declared at the Customhouse. When the cargo arrived at New Orleans it was charged with 10 percent freight and 30 percent duty, making a total of 280,000 francs. It was sold with 20 percent profit, or 40,000 francs, and produced a total of 320,000 francs, which the consignee invested in cottons. These cottons had still for freight,

insurance, commission, etc., to bear a cost of 10 percent; so that when the new cargo arrived at Havre it had cost 352,000 francs, which was the figure entered in the Customhouse books. Finally M.T. realized upon this return cargo 20 percent profit, or 70,400 francs; in other words, the cottons were sold for 422,400 francs.

If Mr. Lestiboudois desires it, I shall send him an extract from the books of M.T. He will there see at the credit of the profit and loss account—that is to say, as profits—two entries, one of 40,000 another of 70,400 francs, and M.T. is very sure that his accounts are accurate.

And yet, what do the Customhouse books tell Mr. Lestiboudois regarding this transaction? They tell him simply that France exported 200,000 francs' worth, and imported to the extent of 352,000 francs; from which the honorable deputy concludes “that she had expended and dissipated the profits of her previous economies, that she is impoverishing herself, that she is on the high road to ruin, and has given away to the foreigner 152,000 francs of her capital.”

Some time afterwards, M.T. dispatched another vessel with a cargo also of the value of 200,000 francs, composed of the products of our native industry. This unfortunate ship was lost in a gale of wind after leaving the harbor, and all M.T. had to do was to make two short entries in his books, to this effect:

“Sundry goods due to X, 200,000 francs, for purchases of different commodities dispatched by the ship N.”

“Profit and loss owed to sundry goods, 200,000 francs, in consequence of definitive and total loss of the cargo.”

At the same time, the Customhouse books bore an entry of 200,000 francs in the list of exportations; and as there was no corresponding entry to make in the list of importations, it follows that Mr. Lestiboudois and the Chamber will see in this shipwreck a clear and net profit for France of 200,000 francs.

There is still another inference to be deduced from this, which is that according to the theory of the balance of trade, France has a very simple means of doubling her capital at any moment. It is enough to pass them through the Customhouse, and then pitch

them into the sea. In this case the exports will represent the amount of her capital, the imports will be nil, and impossible as well, and we shall gain all that the sea swallows up.

This is a joke, the protectionists will say. It is impossible we could give utterance to such absurdities. You do give utterance to them, however, and, what is more, you act upon them and impose them on your fellow-citizens to the utmost of your power.

The truth is, it would be necessary to take the balance of trade backwards (*au rebours*), and calculate the national profits from foreign trade by the excess of imports over exports. This excess, after deducting costs, constitutes the real profit. But this theory, which is true, leads directly to Free Trade. I make you a present of it, gentlemen, as I do of all the theories in preceding chapters. Exaggerate it as much as you please—it has nothing to fear from that test. Suppose, if that amuses you, that the foreigner inundates us with all sorts of useful commodities without asking in return—that our imports are infinite and exports nil, I defy you to prove to me that we should be poorer on that account.



7

PETITION OF THE MANUFACTURERS  
OF CANDLES, WAXLIGHTS, LAMPS,  
CANDLELIGHTS, STREET LAMPS,  
SNUFFERS, EXTINGUISHERS,  
AND THE PRODUCERS OF OIL,  
TALLOW, RESIN, ALCOHOL, AND,  
GENERALLY, OF EVERYTHING  
CONNECTED WITH LIGHTING

**T**o the Members of the Chamber of Deputies. GENTLEMEN—You are on the right road. You reject abstract theories, and have little consideration for cheapness and plenty. Your chief care is the interest of the producer. You desire to protect him from foreign competition and reserve the national market for national industry.

We are about to offer you an admirable opportunity of applying your—what shall we call it?—your theory? No; nothing is more deceptive than theory—your doctrine? your system? your principle? But you dislike doctrines, you abhor systems, and as for principles you deny that there are any in social economy. We shall say, then, your practice—your practice without theory and without principle.

We are suffering from the intolerable competition of a foreign rival, placed, it would seem, in a condition so far superior to ours for the production of light that he absolutely inundates our national market with it at a price fabulously reduced. The moment he shows himself our trade leaves us—all consumers apply to him; and a branch of native industry, having countless ramifications, is all at once rendered completely stagnant. This rival, who is no other than the sun, wages war mercilessly against us, and we suspect that he has been raised up by perfidious Albion (good policy nowadays); inasmuch as he displays toward that haughty island a circumspection with which he dispenses in our case.

What we pray for is that it may please you to pass a law ordering the shutting up of all windows, skylights, dormer-windows, outside and inside shutters, curtains, blinds, bull's-eyes; in a word, of all openings, holes, chinks, clefts, and fissures, by or through which the light of the sun has been in use to enter houses, to the prejudice of the meritorious manufactures with which we flatter ourselves we have accommodated our country—a country that, in gratitude, ought not to abandon us now to a strife so unequal.

We trust, gentlemen, that you will not regard this our request as a satire, or refuse it without at least first hearing the reasons which we have to urge in its support.

And, first, if you shut up as much as possible all access to natural light, and create a demand for artificial light, which of our French manufactures will not be encouraged by it?

If more tallow is consumed, then there must be more oxen and sheep; and, consequently, we shall behold the multiplication

of meadows, meat, wool, hides, and above all, manure, which is the basis and foundation of all agricultural wealth.

If more oil is consumed, then we shall have an extended cultivation of the poppy, of the olive, and of rape. These rich and soil-exhausting plants will come at the right time to enable us to avail ourselves of the increased fertility that the rearing of additional cattle will impart to our lands.

Our heaths will be covered with resinous trees. Numerous swarms of bees will, on the mountains, gather perfumed treasures, now wasting their fragrance on the desert air, like the flowers from which they emanate. No branch of agriculture but will then exhibit a cheering development.

The same remark applies to navigation. Thousands of vessels will proceed to the whale fishery; and in a short time, we shall possess a navy capable of maintaining the honor of France, and gratifying the patriotic aspirations of your petitioners, the undersigned candlemakers and others.

But what shall we say of the manufacture of articles de Paris? Henceforth you will behold gildings, bronzes, crystals, in candlesticks, in lamps, in lustres, in candelabra, shining forth in spacious showrooms, compared with which those of the present day can be regarded but as mere shops.

No poor resinier from his heights on the seacoast, no coal-miner from the depth of his sable gallery, but will rejoice in higher wages and increased prosperity.

Only have the goodness to reflect, gentlemen, and you will be convinced that there is perhaps no Frenchman, from the wealthy coalmaster to the humblest vendor of lucifer matches, whose lot will not be ameliorated by the success of this our petition.

We foresee your objections, gentlemen, but we know that you can oppose to us none but such as you have picked up from the effete works of the partisans of Free Trade. We defy you to utter a single word against us which will not instantly rebound against yourselves and your entire policy.



You will tell us that, if we gain by the protection we seek, the country will lose by it, because the consumer must bear the loss.

We answer:

You have ceased to have any right to invoke the interest of the consumer; for, whenever his interest is found opposed to that of the producer, you sacrifice the former. You have done so for the purpose of encouraging labor and increasing employment. For the same reason you should do so again.

You have yourselves obviated this objection. When you are told that the consumer is interested in the free importation of iron, coal, corn, textile fabrics—yes, you reply, but the producer is interested in their exclusion. Well, be it so; if consumers are interested in the free admission of natural light, the producers of artificial light are equally interested in its prohibition.

But, again, you may say that the producer and consumer are identical. If the manufacturer gain by protection, he will make the agriculturist also a gainer; and if agriculture prosper, it will open a vent to manufactures. Very well; if you confer upon us the monopoly of furnishing light during the day, first of all we shall purchase quantities of tallow, coals, oils, resinous substances, wax, alcohol—besides silver, iron, bronze, crystal—to carry on our manufactures; and then we, and those who furnish us with such commodities, having become rich will consume a great deal, and impart prosperity to all the other branches of our national industry.

If you urge that the light of the sun is a gratuitous gift of nature, and that to reject such gifts is to reject wealth itself under pretense of encouraging the means of acquiring it, we would caution you against giving a death-blow to your own policy. Remember that hitherto you have always repelled foreign products, because they approximate more nearly than home products the character of gratuitous gifts. To comply with the exactions of other monopolists, you have only half a motive; and to repulse us simply because we stand on a stronger vantage-ground than others would be to adopt the equation  $+ \times + = -$ ; in other words, it would be to heap absurdity upon absurdity.

Nature and human labor cooperate in various proportions (depending on countries and climates) in the production of commodities. The part nature executes is always gratuitous; it is the part executed by human labor that constitutes value, and is paid for.

If a Lisbon orange sells for half the price of a Paris orange, it is because natural, and consequently gratuitous, heat does for one what artificial, and therefore expensive, heat must do for the other.

When an orange comes to us from Portugal, we may conclude that it is furnished in part gratuitously, in part for an onerous consideration; in other words, it comes to us at half price as compared with those of Paris.

Now, it is precisely the gratuitous half (pardon the word) that we contend should be excluded. You say, How can national labor sustain competition with foreign labor, when the former has all the work to do, and the latter only does one-half, the sun supplying the remainder? But if this half, being gratuitous, determines you to exclude competition, how should the whole, being gratuitous, induce you to admit competition? If you were consistent, you would, while excluding as hurtful to native industry what is half gratuitous, exclude a fortiori and with double zeal, that which is altogether gratuitous.

Once more, when products such as coal, iron, corn, or textile fabrics are sent us from abroad, and we can acquire them with less labor than if we made them ourselves, the difference is a free gift conferred upon us. The gift is more or less considerable in proportion as the difference is more or less great. It amounts to a quarter, a half, or three-quarters of the value of the product, when the foreigner only asks us for three-fourths, a half, or a quarter of the price we should otherwise pay. It is as perfect and complete as it can be, when the donor (like the sun in furnishing us with light) asks us for nothing. The question, and we ask it formally, is this: Do you desire for our country the benefit of gratuitous consumption, or the pretended advantages of onerous production? Make your choice, but be logical; for as long as you

exclude, as you do, coal, iron, corn, foreign fabrics, in proportion as their price approximates to zero, what inconsistency it would be to admit the light of the sun, the price of which is already at zero during the entire day!

## 8

### DIFFERENTIAL DUTIES—TARIFFS

**A** poor vine-dresser of the Gironde had trained with fond enthusiasm a slip of vine, which, after much fatigue and much labor, yielded him at length a tun of wine; and his success made him forget that each drop of this precious nectar had cost his brow a drop of sweat. "I shall sell it," said he to his wife, "and with the price I shall buy fabrics sufficient to enable you to furnish a trousseau for our daughter." The honest countryman repaired to the nearest town, and met a Belgian and an Englishman. The Belgian said to him: "Give me your cask of wine, and I will give you in exchange fifteen parcels of fabric." The Englishman said: "Give me your wine, and I will give you twenty parcels of fabric; for we English can manufacture the fabric cheaper than the Belgians." But a Customhouse officer, who was present interposed, and said: "My good friend, exchange with the Belgian if you think proper, but my orders are to prevent you from making an exchange with the Englishman." "What!" exclaimed the countryman; "you wish me to be content with fifteen parcels of stuff that have come from Brussels when I can get twenty parcels that have come from Manchester?" "Certainly;

don't you see that France would be a loser if you received twenty parcels instead of fifteen?" "I am at a loss to understand you," said the vine-dresser. "And I am at a loss to explain it," rejoined the Customhouse official; "but the thing is certain, for all our deputies, ministers, and journalists agree in this, that the more a nation receives in exchange for a given quantity of its products, the more it is impoverished." The peasant found it necessary to conclude a bargain with the Belgian. The daughter of the peasant got only three-quarters of her trousseau; and these simple people are still asking themselves how it happens that one is ruined by receiving four instead of three; and why a person is richer with three dozen towels than with four dozen.

## 9

### IMMENSE DISCOVERY

**A**t a time when everybody is bent on bringing about a saving in the expense of transport—and when, in order to effect this saving, we are forming roads and canals, improving our steamers, and connecting Paris with all our frontiers by a network of railways—at a time, too, when I believe we are ardently and sincerely seeking a solution of the problem, how to bring the prices of commodities, in the place where they are to be consumed, as nearly as possible to the level of their prices in the place where they were produced—I should think myself remiss to my country, to my age, and to myself if I kept any longer secret the marvellous discovery which I have just made.

The illusions of inventors are proverbial, but I am positively certain that I have discovered an infallible means of bringing products from every part of the world to France, and vice versa, at a considerable reduction of cost.

Infallible, did I say? Its being infallible is only one of the advantages of my invention.

It requires neither plans, estimates, preparatory study, engineers, mechanists, contractors, capital, shareholders, or Government aid!

It presents no danger of shipwreck, explosion, fire, or collision!

It may be brought into operation at any time!

Moreover—and this must undoubtedly recommend it to the public—it will not add a penny to the Budget, but the reverse. It will not increase the staff of functionaries, but the reverse. It will interfere with no man's liberty, but the reverse.

It is observation, not chance, which has put me in possession of this discovery, and I will tell you what suggested it.

I had at the time this question to resolve:

“Why does an article manufactured at Brussels, for example, cost dearer when it comes to Paris?”

I soon perceived that it proceeds from this: That between Paris and Brussels obstacles of many kinds exist. First of all, there is distance, which entails loss of time, and we must either submit to this ourselves, or pay another to submit to it. Then come rivers, marshes, accidents, bad roads, which are so many difficulties to be surmounted. We succeed in building bridges, in forming roads, and making them smoother by pavements, iron rails, etc. But all this is costly, and the commodity must be made to bear the cost. Then there are robbers who infest the roads, and a body of police must be kept up, etc.

Now, among these obstacles there is one which we have ourselves set up, and at no little cost, too, between Brussels and Paris. There are men who lie in ambush along the frontier, armed to the teeth, and whose business it is to throw difficulties in the way of transporting merchandise from one country to the other. They are called Customhouse officers, and they act in precisely the same way as ruts and bad roads. They retard, they trammel commerce, they augment the difference we have noted between the price paid by the consumer and the price received by the producer—that very difference, the reduction of which, as far as possible, forms the subject of our problem.

That problem is resolved in three words: Reduce your tariff.

You will then have done what is equivalent to constructing the Northern Railway without cost, and will immediately begin to put money in your pocket.

In truth, I often seriously ask myself how anything so whimsical could ever have entered into the human brain, as first of all to lay out many millions for the purpose of removing the natural obstacles that lie between France and other countries, and then to lay out many more millions for the purpose of substituting artificial obstacles, which have exactly the same effect; so much so, indeed, that the obstacle created and the obstacle removed neutralize each other, and leave things as they were before, the residue of the operation being a double expense.

A Belgian product is worth at Brussels 20 francs, and the cost of carriage would raise the price at Paris to 30 francs. The same article made in Paris costs 40 francs. And how do we proceed?

In the first place, we impose a duty of 10 francs on the Belgian product, in order to raise its cost price at Paris to 40 francs; and we pay numerous officials to see the duty stringently levied, so that, on the road, the commodity is charged 10 francs for the carriage and 10 francs for the tax.

Having done this, we reason thus: The carriage from Brussels to Paris, which costs 10 francs, is very dear. Let us expend two or three hundred millions (of francs) in railways, and we shall reduce it by one-half. Evidently all that we gain by this is that the Belgian product would sell in Paris for 35 francs, viz:

20 francs, its price at Brussels. 10 francs duty. 5 francs reduced carriage by railway.

Total, 35 francs, representing cost price at Paris. Now, I ask, would we not have attained the same result by lowering the tariff by 5 francs. We should then have—20 francs, the price at Brussels. 5 francs reduced duty. 10 francs carriage by ordinary roads.

Total, 35 francs, representing cost price at Paris. And by this process we should have saved the 200 millions which the railway cost, plus the expense of Customhouse surveillance, for this last



would be reduced in proportion to the diminished encouragement held out to smuggling.

But it will be said that the duty is necessary to protect Parisian industry. Be it so; but then you destroy the effect of your railway.

For if you persist in desiring that the Belgian product should cost at Paris 40 francs, you must raise your duty to 15 francs, and then you have—20 francs, the price at Brussels. 15 francs protecting duty. 5 francs railway carriage.

Total, 40 francs, being the equalized price.

Then, I venture to ask, what, under such circumstances, is the good of your railway?

In sober earnestness, let me ask, is it not humiliating that the nineteenth century should make itself a laughingstock to future ages by such puerilities, practiced with such imperturbable gravity? To be the dupe of other people is not very pleasant, but to employ a vast representative apparatus in order to dupe, and double dupe, ourselves—and that, too, in an affair of arithmetic—should surely humble the pride of this age of enlightenment.

# 10

## RECIPROCITY

**W**e have just seen that whatever increases the expense of conveying commodities from one country to another—in other words, whatever renders transport more onerous—acts in the same way as a protective duty; or if you prefer to put it in another shape, that a protective duty acts in the same way as more onerous transport.

A tariff, then, may be regarded in the same light as a marsh, a rut, an obstruction, a steep declivity—in a word, it is an obstacle, the effect of which is to augment the difference between the price the producer of a commodity receives and the price the consumer pays for it. In the same way, it is undoubtedly true that marshes and quagmires are to be regarded in the same light as protective tariffs.

There are people (few in number, it is true, but there are such people) who begin to understand that obstacles are not less obstacles because they are artificial, and that our mercantile prospects have more to gain from liberty than from protection, and exactly for the same reason that makes a canal more favorable to traffic than a steep, roundabout, and inconvenient road.

But they maintain that this liberty must be reciprocal. If we remove the barriers we have erected against the admission of Spanish goods, for example, Spain must remove the barriers she has erected against the admission of ours. They are, therefore, the advocates of commercial treaties, on the basis of exact reciprocity, concession for concession; let us make the sacrifice of buying, say they, to obtain the advantage of selling.

People who reason in this way, I am sorry to say, are, whether they know it or not, protectionists in principle; only, they are a little more inconsistent than pure protectionists, as the latter are more inconsistent than absolute prohibitionists.

The following apologue will demonstrate this:

#### STULTA AND PUERA

There were, no matter where, two towns called Stulta and Puera. They completed at great cost a highway from the one town to the other. When this was done, Stulta said to herself: "See how Puera inundates us with her products; we must see to it." In consequence, they created and paid a body of obstructives, so called because their business was to place obstacles in the way of traffic coming from Puera. Soon afterwards Puera did the same.

At the end of some centuries, knowledge having in the interim made great progress, the common sense of Puera enabled her to see that such reciprocal obstacles could only be reciprocally hurtful. She therefore sent an envoy to Stulta, who, laying aside official phraseology, spoke to this effect: "We have made a highway, and now we throw obstacles in the way of using it. This is absurd. It would have been better to have left things as they were. We should not, in that case, have had to pay for making the road in the first place, nor afterwards have incurred the expense of maintaining obstructives. In the name of Puera, I come to propose to you, not to give up opposing each other all at once—that would be to act upon a principle, and we despise principles as much as you do—but to lessen somewhat the present obstacles, taking care to estimate equitably the respective sacrifices we make for this purpose." So spoke the envoy. Stulta asked for time to consider

the proposal, and proceeded to consult, in succession, her manufacturers and agriculturists. At length, after the lapse of some years, she declared that the negotiations were broken off.

On receiving this intimation, the inhabitants of Puera held a meeting. An old gentleman (they always suspected he had been secretly bought by Stulta) rose and said: The obstacles created by Stulta injure our sales, which is a misfortune. Those we have ourselves created injure our purchases, which is another misfortune. With reference to the first, we are powerless; but the second rests with ourselves. Let us, at least, get rid of one, since we cannot rid ourselves of both evils. Let us suppress our obstructives without requiring Stulta to do the same. Some day, no doubt, she will come to know her own interests better.

A second counselor, a practical, matter-of-fact man, guiltless of any acquaintance with principles, and brought up in the ways of his forefathers, replied: "Don't listen to that Utopian dreamer, that theorist, that innovator, that economist, that Stultomaniac. We shall all be undone if the stoppages of the road are not equalized, weighed, and balanced between Stulta and Puera. There would be greater difficulty in going than in coming, in exporting than in importing. We should find ourselves in the same condition of inferiority relatively to Stulta as Havre, Nantes, Bordeaux, Lisbon, London, Hamburg, and New Orleans are with relation to the towns situated at the sources of the Seine, the Loire, the Garonne, the Tagus, the Thames, the Elbe, and the Mississippi, for it is more difficult for a ship to ascend than to descend a river. (A Voice: Towns at the mouths of rivers prosper more than towns at their source.) This is impossible. (Same Voice: But it is so.) Well, if it be so, they have prospered contrary to rules." Reasoning so conclusive convinced the assembly, and the orator followed up his victory by talking largely of national independence, national honor, national dignity, national labor, inundation of products, tributes, murderous competition. In short, he carried the vote in favor of the maintenance of obstacles; and if you are at all curious on the subject, I can point out to you countries where you will see with your own eyes Road-makers and

Obstructives working together on the most friendly terms possible, under the orders of the same legislative assembly, and at the expense of the same taxpayers, the one set endeavoring to clear the road, and the other set doing their utmost to render it impassable.

# 11

## NOMINAL PRICES

**D**o you desire to be in a situation to decide between liberty and protection? Do you desire to appreciate the impact of an economic phenomenon? Inquire into its effects upon the abundance or scarcity of commodities, and not upon the rise or fall of prices. Distrust nominal prices; they will only land you in an inextricable labyrinth.

Mr. Matthieu de Dombasle, after having shown that Protection raises prices, adds:

“The enhancement of prices increases the expense of living, and consequently the price of labor, and each man receives, in the enhanced price of his products, compensation for the higher prices he has been obliged to pay for the things he has occasion to buy. Thus, if everyone pays more as a consumer, everyone receives more as a producer.”

It is evident that we could reverse this argument, and say:

“If everyone receives more as a producer, everyone pays more as a consumer.”

Now, what does this prove? Nothing but this, that Protection displaces wealth uselessly and unjustly. In so far, it simply perpetrates spoliation.

Again, to conclude that this vast apparatus leads to simple compensations, we must stick to the “consequently” of Mr. de Dombasle, and make sure that the price of labor will not fail to rise with the price of the protected products. This is a question of fact that I remit to Mr. Moreau de Jonnes, that he may take the trouble to find out whether the rate of wages advances along with the price of shares in the coal mines of Anzin. For my own part, I do not believe that it does; because, in my opinion, the price of labor, like the price of everything else, is governed by the relation of supply to demand. Now, I am convinced that restriction diminishes the supply of coal, and consequently enhances its price; but I do not see so clearly that it increases the demand for labor, so as to enhance the rate of wages; and that this effect should be produced is all the less likely, because the quantity of labor demanded depends on the available capital. Now, Protection may indeed displace capital, and cause its transference from one employment to another, but it can never increase it by a single farthing.

But this question, which is one of the greatest interest and importance, will be examined in another place. I return to the subject of nominal price; and I maintain that it is not one of those absurdities that can be rendered specious by such reasonings as those of Mr. de Dombasle.

Put the case of a nation that is isolated, and possesses a given amount of specie, and that chooses to amuse itself by burning each year one-half of all the commodities that it possesses. I undertake to prove that, according to the theory of Mr. de Dombasle, it will not be less rich.

In fact, in consequence of the fire, all things will be doubled in price, and the inventories of property, made before and after the destruction, will show exactly the same nominal value. But then what will the country in question have lost? If John buys his cloth dearer, he also sells his corn at a higher price; and if Peter loses on his purchase of corn, he retrieves his losses by the sale of

his cloth. "Each recovers, in the extra price of his products, the extra expense of living he has been put to; and if everybody pays as a consumer, everybody receives a corresponding amount as a producer."

All this is a jingling quibble, and not science. The truth, in plain terms, is this: That men consume cloth and corn by fire or by using them, and that the effect is the same as regards money, but not as regards wealth, for it is precisely in the use of commodities that wealth or material prosperity consists.

In the same way, restriction, while diminishing the abundance of things, may raise their price to such an extent that each party shall be, pecuniarily speaking, as rich as before. But to set down in an inventory three measures of corn at 20s., or four measures at 15s., because the result is still 60s.—would this, I ask, come to the same thing with reference to the satisfaction of men's wants?

It is to this, the consumer's point of view, that I shall never cease to recall the Protectionists, for this is the end and design of all our efforts, and the solution of all problems. I shall never cease to say to them: Is it, or is it not, true that restriction by impeding exchanges, by limiting the division of labor, by forcing labor to connect itself with difficulties of climate and situation, diminishes ultimately the quantity of commodities produced by a determinate amount of efforts? And what does this signify, it will be said, if the smaller quantity produced under the regime of Protection has the same nominal value as that produced under the regime of liberty? The answer is obvious. Man does not live upon nominal values, but upon real products, and the more products there are, whatever be their price, the richer he is.

In writing what precedes, I never expected to meet with an anti-economist who was enough of a logician to admit, in so many words, that the wealth of nations depends on the value of things, apart from the consideration of their abundance. But here is what I find in the work of Mr. de Saint-Chamans (p. 210):

If fifteen million worth of commodities, sold to foreigners, are taken from the total production, estimated at fifty millions, the thirty-five million worth of commodities remaining,



not being sufficient to meet the ordinary demand, will increase in price, and rise to the value of fifty millions. In that case the revenue of the country will represent a value of fifteen million additional. . . . There would then be an increase of the wealth of the country to the extent of fifteen million, exactly the amount of specie imported.

This is a pleasant view of the matter! If a nation produces in one year, from its agriculture and commerce, a value of fifty million it has only to sell a quarter of it to the foreigner to be a quarter richer! Then if it sells the half, it will be one-half richer! And if it should sell the whole, to its last tuft of wool and its last grain of wheat, it would bring up its revenue to one hundred million. What a way of getting rich, by producing infinite dearness by absolute scarcity!

Again, would you judge of the two doctrines? Submit them to the test of exaggeration.

According to the doctrine of Mr. de Saint-Chamans, the French would be quite as rich—that is to say, quite as well supplied with all things—had they only a thousandth part of their annual products, because they would be worth a thousand times more.

According to our doctrine, the French would be infinitely rich if their annual products were infinitely abundant, and consequently, without any value at all.

## 12

### DOES PROTECTION RAISE WAGES?

**L**et us inquire whether injustice is not done you by fixing legislatively the people from whom you are to purchase the things you have need of—bread, meat, linens, or cloth; and in dictating, if I may say so, the artificial scale of prices which you are to adopt in your dealings.

Is it true that protection, which admittedly makes you pay dearer for everything, and entails a loss upon you in this respect, raises proportionately your wages?

On what does the rate of wages depend?

One of your own class has put it forcefully, thus: When two workmen run after one master, wages fall; they rise when two masters run after one workman.

For the sake of brevity, allow me to make use of this formula, more scientific, although, perhaps, not quite so clear. The rate of wages depends on the proportion that the supply of labor bears to the demand for it.

Now, on what does the supply of labor depend?

On the number of men waiting for employment; and on this first element protection can have no effect.

On what does the rate of wages depend?

On the disposable capital of the nation. But does the law which says: We shall no longer receive such or such a product from abroad, we shall make it at home, augment the capital? Not in the least degree. It may force capital from one employment to another, but it does not increase it by a single farthing. It does not then increase the demand for labor.

We point with pride to a certain manufacture. Is it established or maintained with capital that has fallen from the moon? No; that capital has been withdrawn from agriculture, from shipping, from the production of wines. And this is the reason why, under the system of protective tariffs, there are more workmen in our mines and in our manufacturing towns, and fewer sailors in our ports, and fewer laborers in our fields and vineyards. I could expatiate at length on this subject, but I prefer to explain what I mean by an example.

A countryman was possessed of twenty acres of land, which he worked with a capital of £400. He divided his land into four parts and established the following rotation of crops: 1st, corn; 2nd, wheat; 3rd, clover; 4th, rye. He required for his own family only a moderate portion of the grain, meat, and milk that his farm produced, and he sold the surplus to buy oil, flax, wine, etc. His whole capital was expended each year in wages, hires, and small payments to the working classes in his neighborhood. This capital was returned to him in his sales, and even went on increasing year by year; and our countryman, knowing very well that capital produces nothing when it is unemployed, benefited the working classes by devoting the annual surplus to enclosing and clearing his land, and to improving his agricultural implements and farm buildings. He had even some savings in the neighboring town with his banker, who, of course, did not let the money lie idle in his till, but lent it to shipowners and contractors for public works, so that these savings were always resolving themselves into wages.

At length the countryman died, and his son, who succeeded him, said to himself: "My father was a dupe all his life. He purchased oil, and so paid tribute to Provence, whilst our own land, with some pains, can be made to grow the olive. He bought cloth, wine, and oranges, and thus paid tribute to Brittany, Medoc, and Hyeres, while we can cultivate hemp, the vine, and the orange tree with more or less success. He paid tribute to the miller and the weaver, while our own domestics can weave our linen and grind our wheat. In this way he ruined himself, and spent among strangers that money which he might have spent at home."

Misled by such reasoning, the restive youth changed his rotation of crops. His land he divided into twenty divisions. In one he planted olives, in another mulberry trees, in a third he sowed flax, in a fourth he had vines, in a fifth wheat, and so on. By this means he succeeded in supplying his family with what they required, and felt himself independent. He no longer drew anything from the general circulation, nor did he add anything to it.

Was he the richer for this? No; for the soil was not adapted for the cultivation of the vine, and the climate was not fitted for the successful cultivation of the olive; and he was not long in finding out that his family was less plentifully provided with all the things they wanted than in the time of his father, who procured them by exchanging his surplus produce.

As regarded his workmen, they had no more employment than formerly. There were five times more fields, but each field was five times smaller; they produced oil, but they produced less wheat; he no longer purchased linens, but he no longer sold rye. Moreover, the farmer could expend in wages only the amount of his capital, and his capital went on constantly diminishing. A great part of it went for buildings, and the various implements needed for the more varied cultivation in which he had engaged. In short, the supply of labor remained the same, but as the means of remunerating that labor fell off, the ultimate result was a forcible reduction of wages.

On a greater scale, this is exactly what takes place in the case of a nation that isolates itself by adopting a prohibitive system. It

multiplies its branches of industry, I grant, but they become of diminished scale; it adopts, so to speak, a more complicated industrial rotation, but it is not so productive, because its capital and labor have now to struggle with natural difficulties. A greater proportion of its circulating capital, which forms the wages fund, must be converted into fixed capital. What remains may have more varied employment, but the total mass is not increased. It is like distributing the water of a pond among a multitude of shallow reservoirs—it covers more ground, and presents a greater surface to the rays of the sun, and it is precisely for this reason that it is all the sooner absorbed, evaporated, and lost.

The amount of capital and labor being given, they create a smaller amount of commodities in proportion as they encounter more obstacles. It is beyond doubt that when international obstructions force capital and labor into channels and localities where they meet with greater difficulties of soil and climate, the general result must be, fewer products created—that is to say, fewer enjoyments for consumers. Now, when there are fewer enjoyments upon the whole, will the workman's share of them be augmented? If it were augmented, as is asserted, then the rich—the men who make the laws—would find their own share not only subject to the general diminution, but that diminished share would be still further reduced by what was added to the laborers' share. Is this possible? Is it credible? I advise you, workmen, to reject such suspicious generosity.

# 13

## THEORY—PRACTICE

**A**s advocates of Free Trade, we are accused of being theorists, and of not taking practice sufficiently into account. “What fearful prejudices were entertained against Mr. Say,” says Mr. Ferrier,<sup>1</sup>

by that long train of distinguished administrators, and that imposing phalanx of authors who dissented from his opinions; and Mr. Say was not unaware of it. Hear what he says: It has been alleged in support of errors of long standing that there must have been some foundation for ideas which have been adopted by all nations. Ought we not to distrust observations and reasonings which run counter to opinions which have been constantly entertained down to our own time, and which have been regarded as sound by so many men remarkable for their enlightenment and their good intentions? This argument, I allow, is calculated to make a

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<sup>1</sup>*De l'Administration Commerciale opposee a l'Economie Politique*, p. 5.

profound impression, and it might have cast doubt upon points which we deem the most incontestable, if we had not seen, by turns, opinions the most false, and now generally acknowledged to be false, received and professed by everybody during a long series of ages. Not very long ago all nations, from the rudest to the most enlightened, and all men, from the street-porter to the savant, admitted the existence of four elements. No one thought of contesting that doctrine, which, however, is false; so much so that even the greenest assistant in a naturalist's class-room would be ashamed to say that he regarded earth, water and fire as elements.

On this Mr. Ferrier remarks:

If Mr. Say thinks to answer thus the very strong objection which he brings forward he is singularly mistaken. That men, otherwise well informed, should have been mistaken for centuries on certain points of natural history is easily understood, and proves nothing. Water, air, earth and fire, whether elements or not, are not the less useful to man. . . . Such errors are unimportant: they lead to no popular commotions, no uneasiness in the public mind; they run counter to no pecuniary interest; and this is the reason why without any felt inconvenience they may endure for a thousand years. The physical world goes on as if they did not exist. But of errors in the moral world can the same thing be said? Can we conceive that a system of administration, found to be absolutely false and therefore hurtful, should be followed out among many nations for centuries, with the general approval of all well-informed men? Can it be explained how such a system could coexist with the constantly increasing prosperity of nations? Mr. Say admits that the argument which he combats is fitted to make a profound impression. Yes, indeed; and the impression remains; for Mr. Say has rather deepened than done away with it.

Let us hear what Mr. de Saint-Chamans says on the same subject:

It was only in the middle of the last century, of that eighteenth century which handed over all subjects and all principles without exception to free discussion, that these speculative purveyors of ideas, applied by them to all things

without being really applicable to anything, began to write upon political economy. There existed previously a system of political economy not to be found in books, but which had been put in practical operation by governments. Colbert, it is said, was the inventor of it, and it was adopted as a rule by all the nations of Europe. The singular thing is that, in spite of contempt and maledictions, in spite of all the discoveries of the modern school, it still remains in practical operation. This system, which our authors have called the mercantile system, was designed to . . . impede, by prohibitions or import duties, the entry of foreign products which might ruin our own manufactures by their competition. Economic writers of all schools<sup>2</sup> have declared this system untenable, absurd, and calculated to impoverish any country. It has been banished from all their books, and forced to take refuge in the practical legislation of all nations. They cannot conceive why, in measures relating to national wealth, governments should not follow the advice and opinions of learned authors, rather than trust to their experience of the tried working of a system which has been long in operation. Above all, they cannot conceive why the French government should in economic questions obstinately set itself to resist the progress of enlightenment, and maintain in its practice those ancient errors, which all our economic writers have exposed. But enough of this mercantile system, which has nothing in its favor but facts, and is not defended by any speculative writer.<sup>3</sup>

Such language as this would lead one to suppose that in demanding for everyone the free disposal of his property, economists were propounding some new system, some new, strange and chimerical social order, a sort of phalanstere, coined in the mint of their own brain, and without precedent in the annals of the human race. To me it would seem that if we have here anything

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<sup>2</sup>Might we not say, that it is a “fearful prejudice” against Mistrs Ferrier and Saint-Chamans, that “economists of all schools,” that is to say, everybody who has studied the question, should have arrived at the conclusion, that, after all, liberty is better than constraint, and the laws of God wiser than those of Colbert.

<sup>3</sup>*Du Systeme de l'Impot*, by Mr. le Vicomte de Saint-Chamans, p. II.



factitious or contingent, it is to be found, not in liberty, but in protection; not in the free power of exchanging, but in customs duties employed to overturn artificially the natural course of remuneration.

But our business at present is not to compare, or pronounce between, the two systems; but to inquire which of the two is founded on experience.

The advocates of monopoly maintain that the facts are on their side, and that we have on our side only theory.

They flatter themselves that this long series of public acts, this old experience of Europe, which they invoke, has presented itself as something very formidable to the mind of Mr. Say; and I grant that he has not refuted it with his characteristic sagacity. For my own part, I am not disposed to concede to the monopolists the domain of facts, for they have only in their favor facts that are forced and exceptional; and we oppose to these, facts that are universal, the free and voluntary acts of mankind at large.

What do we say; and what do they say?

We say—

“You should buy from others what you cannot make for yourself but at a greater expense.”

And they say—

“It is better to make things for yourself, although they cost you more than the price at which you could buy them from others.”

Now, gentlemen, throwing aside theory, argument, demonstration—all which seem to affect you with nausea—which of these two assertions has on its side the sanction of universal practice?

Visit your fields, your workshops, your forges, your warehouses; look above, below, and around you; look at what takes place in your own houses; note your own everyday acts; and say what is the principle that guides these laborers, artisans and merchants; say what is your own personal practice.

Does the farmer make his own clothes? Does the tailor produce the corn he consumes? Does your housekeeper continue to

have your bread made at home, after she finds she can buy it cheaper from the baker? Do you resign the pen for the brush to save your paying tribute to the shoeblack? Does the entire economy of society not rest upon the separation of employments, the division of labor—in a word, upon exchange? And what is exchange but a calculation which we make with a view to discontinuing direct production in every case in which we find that possible, and in which indirect acquisition enables us to effect a saving in time and in effort?

It is not you, therefore, who are the men of practice, since you cannot point to a single human being who acts upon your principle.

But you will say, we never intended to make our principle a rule for individual relations. We perfectly understand that this would be to break up the bond of society, and would force men to live like snails, each in his own shell. All that we contend is that our principle regulates *de facto* the relations that obtain between the different agglomerations of the human family.

Well, I affirm that this principle is still erroneous. The family, the commune, the canton, the department, the province, are so many agglomerations, which all, without any exception, reject practically your principle, and have never dreamt of acting on it. All procure themselves, by means of exchange, those things that it would cost them dearer to procure by means of production. And nations would do the same, did you not hinder them by force.

We, then, are the men of practice and of experience; for we oppose to the restriction you have placed exceptionally on certain international exchanges the practice and experience of all individuals and of all agglomerations of individuals, whose acts are voluntary and can consequently be adduced as evidence. But you begin by constraining, by hindering, and then you lay hold of acts that are forced or prohibited, as warranting you to exclaim, “We have practice and experience on our side!”

You inveigh against our theory, and even against theories in general. But when you lay down a principle in opposition to ours

you perhaps imagine you are not proceeding on theory. Clear your heads of that idea. You, in fact, form a theory as we do; but between your theory and ours there is this difference:

Our theory consists merely in observing universal facts, universal opinions, calculations and ways of proceeding that universally prevail; and in classifying these and rendering them co-ordinate, with a view to their being more easily understood.

Our theory is so little opposed to practice that it is nothing else but practice explained. We observe men acting as they are moved by the instinct of self-preservation and a desire for progress, and what they thus do freely and voluntarily we denominate political or social economy. We can never help repeating that each individual man is practically an excellent economist, producing or exchanging according as he finds it more to his interest to produce or to exchange. Each, by experience, educates himself in this science; or, rather, the science itself is only this same experience accurately observed and methodically explained.

But on your side you construct a theory in the worst sense of the word. You imagine, you invent, a course of proceeding that is not sanctioned by the practice of any living man under the canopy of heaven; and then you invoke the aid of constraint and prohibition. It is quite necessary that you should have recourse to force, for you desire that men should be made to produce those things that they find it more advantageous to buy; you desire that they should renounce this advantage, and act upon a doctrine that implies a contradiction in terms.

I defy you to take the doctrine, which you acknowledge would be absurd in the relations of individuals, and extend it, even in speculation, to transactions between families, communities, or provinces. By your own admission it is only applicable to international relations.

This is the reason why you are forced to keep repeating:

“There are no absolute principles, no inflexible rules. What is good for an individual, a family, a province, is bad for a nation. What is good in detail—namely, to purchase rather than produce, when purchasing is more advantageous than producing—that

same is bad in the gross. The political economy of individuals is not that of nations"; and other nonsense of the same kind.

And to what does all this tend? Look at it a little closer. The intention is to prove that we, the consumers, are your property!—that we are yours body and soul!—that you have an exclusive right over our stomachs and our limbs!—that it belongs to you to feed and clothe us on your own terms, whatever be your ignorance, incapacity or rapacity!

No, you are not men of practice; you are men of abstraction—and of extortion.



# 14

## CONFLICT OF PRINCIPLES

There is one thing that confounds me; and it is this: Sincere publicists, studying the economy of society from the producer's point of view, have laid down this double formula:

“Governments should order the interests of consumers who are subject to their laws, in such a way as to be favorable to national industry.”

“They should bring distant consumers under subjection to their laws, for the purpose of ordering their interests in a way favorable to national industry.”

The first of these formulas gets the name of protection; the second we call outlets, or the creating of markets, or vents, for our produce.

Both are founded on what we call the Balance of Trade:

“A nation is impoverished when it imports; enriched when it exports.”

For if every purchase from a foreign country is a tribute paid and a national loss, it follows, of course, that it is right to restrain, and even prohibit, importations.

And if every sale to a foreign country is a tribute received, and a national profit, it is quite right and natural to create markets for our products even by force.

The system of protection and the colonial system are, then, only two aspects of one and the same theory. To hinder our fellow-citizens from buying from foreigners, and to force foreigners to buy from our fellow-citizens, are only two consequences of one and the same principle.

Now, it is impossible not to admit that this doctrine, if true, makes general utility to repose on monopoly or internal spoliation, and on conquest or external spoliation.

I enter a cottage on the French side of the Pyrenees.

The father of the family has received but slender wages. His half-naked children shiver in the icy north wind; the fire is extinguished, and there is nothing on the table. There are wool, firewood, and corn on the other side of the mountain; but these good things are forbidden to the poor day-laborer, for the other side of the mountain is not in France. Foreign firewood is not allowed to warm the cottage hearth; and the shepherd's children can never know the taste of Biscayan wheat,<sup>1</sup> and the wool of Navarre can never warm their benumbed limbs. General utility has so ordered it. Be it so; but let us agree that all this is in direct opposition to the first principles of justice. To dispose legislatively of the interests of consumers, and postpone them to the supposed interests of national industry, is to encroach upon their liberty—it is to prohibit an act; namely, the act of exchange, that has in it nothing contrary to good morals; in a word, it is to do them an act of injustice.

And yet this is necessary, we are told, unless we wish to see national labor at a standstill, and public prosperity sustain a fatal shock.

Writers of the protectionist school, then, have arrived at the melancholy conclusion that there is a radical incompatibility between Justice and Utility.

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<sup>1</sup>The French word employed is *meture*, probably a Spanish word Gallised—*mestura*, meslin, mixed corn, as wheat and rye.—Translator.

On the other hand, if it be the interest of each nation to sell, and not to buy, the natural state of their relations must consist in a violent action and reaction, for each will seek to impose its products on all, and all will endeavor to repel the products of each.

A sale, in fact, implies a purchase, and since, according to this doctrine, to sell is beneficial, and to buy is the reverse, every international transaction would imply the amelioration of one people and the deterioration of another.

But if men are, on the one hand, irresistibly impelled toward what is for their profit, and if, on the other, they resist instinctively what is hurtful, we are forced to conclude that each nation carries in its bosom a natural force of expansion, and a not less natural force of resistance, which forces are equally injurious to all other nations; or, in other words, that antagonism and war are the natural state of human society.

Thus the theory we are discussing may be summed up in these two axioms:

Utility is incompatible with Justice at home.

Utility is incompatible with Peace abroad.

Now, what astonishes and confounds me is that a publicist, a statesman, who sincerely holds an economical doctrine that runs so violently counter to other principles that are incontestable, should be able to enjoy one moment of calm or peace of mind.

For my own part, it seems to me that if I had entered the precincts of the science by the same gate, if I had failed to perceive clearly that Liberty, Utility, Justice, Peace, are things not only compatible, but strictly allied with each other, and, so to speak, identical, I should have endeavored to forget what I had learned, and I should have asked:

“How God could have willed that men should attain prosperity only through Injustice and War? How He could have willed that they should be unable to avoid Injustice and War except by renouncing the possibility of attaining prosperity?”

“Dare I adopt, as the basis of the legislation of a great nation, a science that thus misleads me by false lights, that has conducted



me to this horrible blasphemy, and landed me in so dreadful an alternative? And when a long train of illustrious philosophers have been conducted by this science, to which they have devoted their lives, to more consoling results—when they affirm that Liberty and Utility are perfectly reconcilable with Justice and Peace—that all these great principles run in infinitely extended parallels, and will do so to all eternity, without running counter to each other—I would ask, Have they not in their favor that presumption which results from all that we know of the goodness and wisdom of God, as manifested in the sublime harmony of the material creation? In the face of such a presumption, and of so many reliable authorities, ought I to believe lightly that God has been pleased to implant antagonism and dissonance in the laws of the moral world? No; before I should venture to conclude that the principles of social order run counter to and neutralize each other, and are in eternal and irreconcilable opposition—before I should venture to impose on my fellow-citizens a system so impious as that to which my reasonings would appear to lead—I should set myself to re-examine the whole chain of these reasonings, and assure myself that at this stage of the journey I had not missed my way.”

But if, after a candid and searching examination, twenty times repeated, I arrived always at this frightful conclusion, that we must choose between the Right and the Good, discouraged, I should reject the science, and bury myself in voluntary ignorance; above all, I should decline all participation in public affairs, leaving to men of another temper and constitution the burden and responsibility of a choice so painful.

# 15

## RECIPROCITY AGAIN

**M**r. De Saint-Cricq inquires: “Whether it is certain that the foreigner will buy from us as much as he sells?”

Mr. de Dombasle asks: “What reason we have to believe that English producers will take from us, rather than from some other country of the world, the commodities they have need of, and an amount of commodities equivalent in value to that of their exports to France?”

I wonder how so many men who call themselves practical men should have all reasoned without reference to practice!

In practice, does a single exchange take place, out of a hundred, out of a thousand, out of ten thousand, perhaps, which represents the direct barter of commodity for commodity? Never since the introduction of money has any agriculturist said: I want to buy shoes, hats, advice, lessons; but only from the shoemaker, the hat-maker, the lawyer, the professor, who will purchase from me corn to an exactly equivalent value. And why should nations bring each other under a yoke of this kind?

Practically, how are such matters transacted?

Let us suppose people shut out from external relations. A man, we will suppose, produces wheat. He sends it to the home market, and offers it for the highest price he can obtain. He receives in exchange—what? Coins, which are just so many drafts or orders, varying very much in amount, by means of which he can draw, in his turn, from the national stores, when he judges it proper, and subject to due competition, everything which he may want or desire. Ultimately, and at the end of the operation, he will have drawn from the mass the exact equivalent of what he has contributed to it, and, in value, his consumption will exactly equal his production.

If the exchanges of the supposed nation with foreigners are left free, it is no longer to the national, but to the general, market that each sends his contributions, and, in turn, derives his supplies for consumption. He has no need to care whether what he sends into the market of the world is purchased by a fellow countryman or by a foreigner; whether the drafts or orders he receives come from a Frenchman or an Englishman; whether the commodities for which he afterwards exchanges these drafts or orders are produced on this or on the other side of the Rhine or the Pyrenees. There is always in each individual case an exact balance between what is contributed and what is received, between what is poured into and what is drawn out of the great common reservoir; and if this is true of each individual it is true of the nation at large.

The only difference between the two cases is that in the last each has to face a more extended market both as regards sales and purchases, and has consequently more chances of transacting both advantageously.

This objection may perhaps be urged: If everybody enters into a league not to take from the general mass the commodities of a certain individual, that individual cannot, in his turn, obtain from the mass what he is in want of. It is the same of nations.

The reply to this is, that if a nation cannot obtain what it has need of in the general market, it will no longer contribute anything to that market. It will work for itself. It will be forced in that

case to submit to what you want to impose on it beforehand—isolation.

And this will realize the ideal of the prohibitive system.

Is it not amusing to think that you inflict upon the nation, now and beforehand, this very system, from a fear that it might otherwise run the risk of arriving at it independently of your exertions?



# 16

## OBSTRUCTION—THE PLEA OF THE PROTECTIONIST

**S**ome years ago I happened to be at Madrid, and went to the Cortes. The subject of debate was a proposed treaty with Portugal for improving the navigation of the Douro. One of the deputies rose and said: "If the navigation of the Douro is improved in the way now proposed, the traffic will be carried on at less expense. The grain of Portugal will, in consequence, be sold in the markets of Castile at a lower price, and will become a formidable rival to our national industry. I oppose the project, unless, indeed, our ministers will undertake to raise the tariff of customs to the extent required to re-establish the equilibrium." The Assembly found the argument unanswerable.

Three months afterwards I was at Lisbon. The same question was discussed in the Senate. A noble hidalgo made a speech: "Mr. President," he said, "this project is absurd. You place guards, at great expense, along the banks of the Douro to prevent Portugal being invaded by Castilian grain; and at the same time you propose, also at great expense, to facilitate that invasion. This is a

piece of inconsistency to which I cannot assent. Let us leave the Douro to our children as it has come to us from our fathers.”

Afterwards, when the subject of improving the navigation of the Garonne was discussed, I remembered the arguments of the Iberian orators, and I said to myself: If the Toulouse deputies were as good economists as the Spanish deputies, and the representatives of Bordeaux as acute logicians as those of Oporto, assuredly they would leave the Garonne.

“*Dormir au bruit flatteur de son onde naissante,*” for the canalisation of the Garonne would favor the invasion of Toulouse products, to the prejudice of Bordeaux, and the inundation of Bordeaux products would do the same thing to the detriment of Toulouse.

## A NEGATIVE RAILWAY

I have said that when, unfortunately, one has regard to the interest of the producer, and not to that of the consumer, it is impossible to avoid running counter to the general interest because the demand of the producer, as such, is only for efforts, wants, and obstacles.

I find a remarkable illustration of this in a Bordeaux newspaper.

Mr. Simiot proposes this question:

Should the proposed railway from Paris to Madrid offer a break of continuity at Bordeaux?

He answers the question in the affirmative, and gives a multiplicity of reasons, which I shall not stop to examine except this one:

The railway from Paris to Bayonne should have a break at Bordeaux for if goods and passengers are forced to stop at that town, profits will accrue to bargemen, porters, commissionaires, hotel-keepers, etc.

Here we have clearly the interest of labor put before the interest of consumers.



But if Bordeaux has a right to profit by a gap in the line of railway, and if such profit is consistent with the public interest, then Angouleme, Poitiers, Tours, Orleans, nay, more, all the intermediate places, Ruffec, Chatellerault, etc., should also demand gaps, as being for the general interest, and, of course, for the interest of national industry; for the more these breaks in the line are multiplied, the greater will be the increase of consignments, commissions, trans-shipments, etc., along the whole extent of the railway. In this way, we shall succeed in having a line of railway composed of successive gaps, and which may be denominated a Negative Railway.

Let the protectionists say what they will, it is not the less certain that the principle of restriction is the very same as the principle of gaps; the sacrifice of the consumer's interest to that of the producer—in other words, the sacrifice of the end to the means.

# 18

## THERE ARE NO ABSOLUTE PRINCIPLES

**W**e cannot wonder enough at the facility with which men resign themselves to continue ignorant of what it is most important that they should know; and we may be certain that such ignorance is incorrigible in those who venture to proclaim this axiom: There are no absolute principles.

You enter the legislative precincts. The subject of debate is whether the law should prohibit international exchanges, or proclaim freedom.

A deputy rises, and says:

If you tolerate these exchanges the foreigner will inundate you with his products: England with her textile fabrics, Belgium with coals, Spain with wools, Italy with silks, Switzerland with cattle, Sweden with iron, Prussia with wheat; so that home industry will no longer be possible.

Another replies—

If you prohibit international exchanges, the various bounties which nature has lavished on different climates will be for you as

if they did not exist. You cannot participate in the mechanical skill of the English, in the wealth of the Belgian mines, in the fertility of the Polish soil, in the luxuriance of the Swiss pastures, in the cheapness of Spanish labor, in the warmth of the Italian climate; and you must obtain from an unprofitable and misdirected production those commodities which, through exchange, would have been furnished to you by an easy production.

Assuredly, one of these deputies must be wrong. But which? We must take care to make no mistake on the subject, for this is not a matter of abstract opinion merely. You have to choose between two roads, and one of them leads necessarily to poverty.

To get rid of the dilemma we are told that there are no absolute principles.

This axiom, which is so much in fashion nowadays, not only countenances indolence, but ministers to ambition.

If the theory of prohibition comes to prevail, or if the doctrine of Free Trade comes to triumph, one brief enactment will constitute our whole economic code. In the first case, the law will proclaim that all exchanges with foreign countries are prohibited; in the second, that all exchanges with foreign countries are free; and many grand and distinguished personages will thereby lose their importance.

But if exchange does not possess a character that is peculiar to it; if it is not governed by any natural law; if, capriciously, it be sometimes useful and sometimes detrimental; if it does not find its motive force in the good it accomplishes, its limit in the good it ceases to accomplish; if its consequences cannot be estimated by those who effect exchanges—in a word, if there be no absolute principles, then we must proceed to weigh, balance, and regulate transactions, we must equalize the conditions of labor, and try to find out the average rate of profits—a colossal task, well deserving the large emoluments and powerful influence awarded to those who undertake it.

On entering Paris, which I had come to visit, I said to myself—here are a million human beings who would all die in a short time if provisions of every kind ceased to flow toward this

great metropolis. Imagination is baffled when it tries to appreciate the vast multiplicity of commodities that must enter tomorrow through the barriers in order to preserve the inhabitants from falling a prey to the convulsions of famine, rebellion and pillage. And yet all sleep at this moment, and their peaceful slumbers are not disturbed for a single instant by the prospect of such a frightful catastrophe. On the other hand, eighty departments have been laboring today, without concert, without any mutual understanding, for the provisioning of Paris. How does each succeeding day bring what is wanted, nothing more, nothing less, to so gigantic a market? What, then, is the ingenious and secret power that governs the astonishing regularity of movements so complicated, a regularity in which everybody has implicit faith, although happiness and life itself are at stake? That power is an absolute principle, the principle of freedom in transactions. We have faith in that inward light that Providence has placed in the heart of all men, and to which He has confided the preservation and indefinite amelioration of our species, namely, a regard to personal interest—since we must give it its right name—a principle so active, so vigilant, so foreseeing, when it is free in its action. In what situation, I would ask, would the inhabitants of Paris be if a minister should take it into his head to substitute for this power the combinations of his own genius, however superior we might suppose them to be—if he thought to subject to his supreme direction this prodigious mechanism, to hold the springs of it in his hands, to decide by whom, or in what manner, or on what conditions, everything needed should be produced, transported, exchanged and consumed? Truly, there may be much suffering within the walls of Paris—poverty, despair, perhaps starvation, causing more tears to flow than ardent charity is able to dry up; but I affirm that it is probable, nay, that it is certain, that the arbitrary intervention of government would multiply infinitely those sufferings, and spread over all our fellow-citizens those evils which at present affect only a small number of them.

This faith, then, which we repose in a principle, when the question relates only to our home transactions, why should we

not retain when the same principle is applied to our international transactions, which are undoubtedly less numerous, less delicate, and less complicated? And if it is not necessary that the municipality should regulate our Parisian industries, weigh our chances, balance our profits and losses, see that our circulating medium is not exhausted, and equalize the conditions of our home labor, why should it be necessary that the customhouse, departing from its fiscal duties, should pretend to exercise a protective action over our external commerce?

# 19

## NATIONAL INDEPENDENCE

**A**mong the arguments we hear adduced in favor of the restrictive regime we must not forget that which is founded on national independence.

“What should we do in case of war,” it is said, “if we are placed at the mercy of England for iron and coal?”

English monopolists do not fail to cry out in their turn:

“What would become of Great Britain in case of war if she is dependent on France for provisions?”

One thing is overlooked, which is this: That the kind of dependence that results from exchange, from commercial transactions, is a reciprocal dependence. We cannot be dependent on the foreigner without the foreigner being dependent on us. Now, this is the very essence of society. To break up natural relations is not to place ourselves in a state of independence, but in a state of isolation.

Note this: A nation isolates itself looking forward to the possibility of war; but is not this very act of isolating itself the beginning of war? It renders war more easy, less burdensome, and, it may be, less unpopular. Let countries be permanent markets for

each other's produce; let their reciprocal relations be such that they cannot be broken without inflicting on each other the double suffering of privation and a glut of commodities; and they will no longer stand in need of naval armaments, which ruin them, and overgrown armies, which crush them; the peace of the world will not then be compromised by the caprice of a Thiers or of a Palmerston; and war will disappear for want of what supports it, for want of resources, inducements, pretexts, and popular sympathy.

I am quite aware that I shall be reproached (it is the fashion of the day) with basing the fraternity of nations on men's personal interest—vile, prosaic self-interest. Better far, it may be thought, that it should have had its basis in charity, in love, even in a little self-abnegation, and that, interfering somewhat with men's material comforts, it should have had the merit of a generous sacrifice.

When shall we be done with these puerile declamations? When will hypocrisy be finally banished from science? When shall we cease to exhibit this nauseous contradiction between our professions and our practice? We hoot at and execrate personal interest; in other words, we denounce what is useful and good (for to say that all men are interested in anything is to say that the thing is good in itself), as if personal interest were not the necessary, eternal and indestructible mainspring to which Providence has confided human perfectibility. Are we not represented as being all angels of disinterestedness? And does the thought never occur to those who say so that the public begins to see with disgust that this affected language disfigures the pages of those very writers who are most successful in filling their own pockets at the public expense? Oh! Affectation! Affectation! Thou are verily the besetting sin of our times!

What! Because material prosperity and peace are things correlative, because it has pleased God to establish this beautiful harmony in the moral world, am I not to admire, am I not to adore His ordinances, am I not to accept with gratitude laws that make justice the condition of happiness? You desire peace only in so far as it runs counter to material prosperity; and liberty is rejected

because it does not impose sacrifices. If abnegation has indeed so many charms for you, why do you fail to practice it in private life? Society will be grateful to you, for someone, at least, will reap the fruit; but to desire to impose it upon mankind as a principle is the very height of absurdity, for the abnegation of all is the sacrifice of all, which is evil erected into a theory.

But, thank Heaven, one can write or read many of these declamations without the world ceasing on that account to obey the social motive force, which leads us to shun evil and seek after good, and which, whether they like it or not, we must denominate personal interest.

After all, it is ironic enough to see sentiments of the most sublime self-denial invoked in support of spoliation itself. See to what this boasted disinterestedness tends! These men who are so fantastically delicate as not to desire peace itself, if it is founded on the vile interest of mankind, put their hand into the pockets of others, and especially of the poor.

For what article of the tariff protects the poor? Be pleased, gentlemen, to dispose of what belongs to yourselves as you think proper, but leave us the disposal of the fruit of our own toil, to use it or exchange it as we see best. Declaim on self-sacrifice as much as you choose, it is all very fine and very beautiful, but be at least consistent.





## 20

### HUMAN LABOR— NATIONAL LABOR

**M**achine-breaking and the prohibition of foreign commodities—are two acts founded on the same doctrine.

We see men who clap their hands when a great invention is introduced, and who nevertheless adhere to the protectionist system. Such men are grossly inconsistent!

With what do they reproach free trade? With encouraging the production by foreigners who are more skilled or more favorably situated than we are, of commodities that, but for free trade, would be produced at home. In a word, they accuse free trade of being injurious to national Labor?

For the same reason, should they not reproach machinery with accomplishing by natural agents what otherwise would have been done by manual Labor, and so of being injurious to human Labor?

The foreign workman, better and more favorably situated than the home workman for the production of certain commodities, is,

with reference to the latter, a veritable economic machine, crushing him by competition. In like manner, machinery, which executes a piece of work at a lower price than a certain number of men could do by manual Labor, is, in relation to these manual laborers, a veritable foreign competitor, who paralyzes them by his rivalry.

If, then, it is politic to protect national Labor against the competition of foreign Labor, it is not less so to protect human Labor against the rivalry of mechanical Labor.

Thus, every adherent of the system of protection, if he is logical, should not content himself with prohibiting foreign products; he should proscribe also the products of the shuttle and the plough.

And this is the reason why I like better the logic of those men who, declaiming against the invasion of foreign merchandise, declaim likewise against the excess of production that is due to the inventive power of the human mind.

Such a man is Mr. de Saint-Chamans.

One of the strongest arguments against free trade," he says, "is the too extensive employment of machinery, for many workmen are deprived of employment, either by foreign competition, which lowers the price of our manufactured goods, or by instruments, which take the place of men in our workshops.<sup>1</sup>

Mr. de Saint-Chamans has seen clearly the analogy, or, we should rather say, the identity, that obtains between imports and machinery. For this reason, he proscribes both; and it is really agreeable to have to do with such intrepid reasoners, who, even when wrong, carry out their argument to its logical conclusion.

But here is the mess in which they land themselves:

If it be true, a priori, that the domain of invention and that of Labor cannot be simultaneously extended but at each other's

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<sup>1</sup>*Du Systeme d'Impots*, p. 438.

expense, it must be in those countries where machinery most abounds—in Lancashire, for example—that we should expect to find the fewest workmen. And if, on the other hand, we establish the fact that mechanical power and manual Labor coexist, and to a greater extent, among rich nations than among savages, the conclusion is inevitable that these two powers do not exclude each other.

I cannot understand how any thinking being can enjoy a moment's repose in presence of the following dilemma:

Either the inventions of man are not injurious to manual Labor, as general facts attest, since there are more of both in England and France than among the Hurons and Cherokees, and, that being so, I am on a wrong road, though I know neither where nor when I missed my way; at all events, I see I am wrong, and I should commit the crime of treason to humanity were I to introduce my error into the legislation of my country!

Or else, the discoveries of the human mind limit the amount of manual Labor, as special facts appear to indicate; for I see every day some machine or other superseding twenty or a hundred workmen; and then I am forced to acknowledge a flagrant, eternal, and incurable antithesis between the intellectual and physical powers of man—between his progress and his present well-being; and in these circumstances I am forced to say that the Creator of man might have endowed him with reason, or with physical strength, with moral force, or with brute force; but that He mocked him by conferring on him, at the same time, faculties that are destructive of each other.

The difficulty is pressing and puzzling; but you contrive to find your way out of it by adopting the strange mantra:

In political economy there are no absolute principles.

In plain language, this means:

“I know not whether it be true or false; I am ignorant of what constitutes general good or evil. I give myself no trouble about that. The immediate effect of each measure upon my own personal interest is the only law which I can consent to recognize.”

There are no principles! You might as well say there are no facts; for principles are merely formulas that classify such facts as are well established.

Machinery, and the importation of foreign commodities, certainly produce effects. These effects may be good or bad; on that there may be difference of opinion. But whatever view we take of them, it is reduced to a formula, by one of these two principles: Machinery is a good; or, machinery is an evil: Importations of foreign produce are beneficial; or, such importations are hurtful. But to assert that there are no principles, certainly exhibits the lowest degree of abasement to which the human mind can descend; and I confess that I blush for my country when I hear such a monstrous heresy proclaimed in the French Chambers, and with their assent; that is to say, in the face and with the assent of the elite of our fellow-citizens; and this in order to justify their imposing laws upon us in total disregard for the real state of the case.

But then I am told to destroy the fallacy by proving that machinery is not hurtful to human Labor, nor the importation of foreign products to national Labor.

A work like the present cannot well include very full or complete demonstrations. My design is rather to state difficulties than to resolve them; to excite reflection rather than to satisfy doubts. No conviction makes so lasting an impression on the mind as that which it works out for itself. But I shall endeavor nevertheless to put the reader on the right road.

What misleads the adversaries of machinery and foreign importations is that they judge of them by their immediate and transitory effects, instead of following them out to their general and definite consequences.

The immediate effect of the invention and employment of an ingenious machine is to render superfluous, for the attainment of a given result, a certain amount of manual Labor. But its action does not stop there. For the very reason that the desired result is obtained with fewer efforts, the product is handed over to the public at a lower price; and the aggregate of savings thus realized

by all purchasers enables them to procure other satisfactions; that is to say, to encourage manual Labor in general to exactly the extent of the manual Labor which has been saved in the special branch of industry which has been recently improved. So that the level of Labor has not fallen, while that of enjoyments has risen.

Let us render this evident by an example.

Suppose there are used annually in this country ten million hats at 15 shillings each; this makes the sum which goes to the support of this branch of industry £7,500,000 sterling. A machine is invented that allows these hats to be manufactured and sold at 10 shillings. The sum now wanted for the support of this industry is reduced to £5,000,000, provided the demand is not augmented by the change. But the remaining sum of £2,500,000 is not by this change withdrawn from the support of human Labor. That sum, economized by the purchasers of hats, will enable them to satisfy other wants, and consequently, to that extent will go to remunerate the aggregate industry of the country. With the five shillings saved, John will purchase a pair of shoes, James a book, Jerome a piece of furniture, etc. Human Labor, taken in the aggregate, will continue, then, to be supported and encouraged to the extent of £7,500,000; but this sum will yield the same number of hats, plus all the satisfactions and enjoyments corresponding to £2,500,000 that the employment of the machine has enabled the consumers of hats to save. These additional enjoyments constitute the clear profit that the country will have derived from the invention. This is a free gift, a tribute that human genius will have derived from nature. We do not at all dispute that in the course of the transformation a certain amount of Labor will have been displaced; but we cannot allow that it has been destroyed or diminished.

The same thing holds of the importation of foreign commodities. Let us revert to our former hypothesis.

The country manufactures ten millions of hats, of which the cost price was 15 shillings. The foreigner sends similar hats to our market, and furnishes them at 10 shillings each. I maintain that the national Labor will not be thereby diminished.

For it must produce to the extent of £5,000,000 to enable it to pay for 10 million hats at 10 shillings.

And then there remains to each purchaser five shillings saved on each hat, or in all, £2,500,000, which will be spent on other enjoyments—that is to say, which will go to support Labor in other departments of industry.

Then the aggregate Labor of the country will remain what it was, and the additional enjoyments represented by £2,500,000 saved upon hats will form the clear profit accruing from imports under the system of free trade.

It is of no use to try to frighten us by a picture of the sufferings that, on this hypothesis, the displacement of Labor will entail.

For, if the prohibition had never been imposed, the Labor would have found its natural place under the ordinary law of exchange, and no displacement would have taken place.

If, on the other hand, prohibition has led to an artificial and unproductive employment of Labor, it is prohibition, and not liberty, that is to blame for a displacement that is inevitable in the transition from what is detrimental to what is beneficial.

At all events, let no one claim that because an abuse cannot be done away with, without inconvenience to those who profit by it, what has been suffered to exist for a time should be allowed to exist forever.

# 21

## RAW MATERIALS

**I**t is said that the most advantageous of all branches of trade is that which supplies manufactured commodities in exchange for raw materials. For these raw materials are the aliment and support of national labor.

Hence the conclusion is drawn:

That the best law of customs is that which gives the greatest possible facility to the importation of raw materials, and which throws most obstacles in the way of importing finished goods.

There is no fallacy in political economy more widely disseminated than this. It is cherished not only by the protectionist school, but also, and above all, by the school that dubs itself Liberal; and it is unfortunate that it should be so, for what can be more injurious to a good cause than that it should be at the same time vigorously attacked and feebly defended?

Commercial liberty is likely to have the fate of liberty in general; it will only find a place in the statute book after it has taken possession of men's minds and convictions. But if it be true that a reform, in order to be solidly established, should be generally understood, it follows that nothing can so much retard reform as



that which misleads public opinion. And what is more calculated to mislead public opinion than works that, in advocating freedom, invoke aid from the doctrines of monopoly?

Some years ago three of the great towns of France—Lyons, Bordeaux, and Havre—united in a movement against the restrictive regime. All Europe was stirred on seeing raised what they took for the banner of liberty. Alas! it proved to be also the banner of monopoly—of a monopoly a little more niggardly and much more absurd than that of which they seemed to desire the overthrow. By the aid of the fallacy that I have just endeavored to expose, the petitioners did nothing more than reproduce the doctrine of protection to national industry, tacking to it an additional inconsistency.

It was, in fact, nothing else than the system of prohibition. Just listen to Mr. de Saint-Cricq:

“Labor constitutes the wealth of a nation, because labor alone creates those material objects which our wants demand; and universal ease and comfort consist in the abundance of these things.” So much for the principle.

“But this abundance must be produced by national labor. If it were the result of foreign labor, national labor would be immediately brought to a stand.” Here lies the error. (See the preceding chapter.)

“What course should an agricultural and manufacturing country take under such circumstances? Reserve its markets for the products of its own soil and of its own industry.” Such is the end and design.

“And for that purpose restrain by duties, and, if necessary, prohibit importation of the products of the soil and industry of other nations.” Such are the means.

Let us compare this system with that which the Bordeaux petition advocates.

Commodities are there divided into three classes:

“The first includes provisions, and raw materials upon which no human labor has been bestowed. In principle, a wise economy

would demand that this class should be free of duties.” Here we have no labor, no protection.

“The second consists of products that have, to some extent, been prepared. This preparation warrants such products being charged with a certain amount of duty.” Here protection begins, because here, according to the petitioners, begins national labor.

“The third comprises goods and products in their finished and perfect state. These contribute nothing to national labor, and we regard this class as the most taxable.” Here labor, and protection along with it, reach their maximum.

We thus see that the petitioners profess their belief in the doctrine that foreign labor is injurious to national labor; and this is the error of the prohibitive system.

They demand that the home market should be reserved for home industry. That is the design of the system of prohibition.

They demand that foreign labor should be subjected to restrictions and taxes. These are the means employed by the system of prohibition. What difference, then, can we possibly discover between the Bordeaux petitioners and the Corypheus of restriction? One difference, and one only: the greater or less extension given to the word labor.

Mr. de Saint-Cricq extends it to everything, and so he wishes to protect all.

“Labor constitutes all the wealth of a people,” he says; “to protect agricultural industry, and all agricultural industry; to protect manufacturing industry, and all manufacturing industry, is the cry which should never cease to be heard in this Chamber.”

The Bordeaux petitioners take no labor into account but that of the manufacturers; and for that reason they would admit them to the benefits of protection.

“Raw materials are commodities upon which no human labor has been bestowed. In principle, we should not tax them. Manufactured products can no longer serve the cause of national industry, and we regard them as the best subjects for taxation.”

It is not our business in this place to inquire whether protection to national industry is reasonable. Mr. de Saint-Cricq and

the Bordeaux gentlemen are at one upon this point, and, as we have shown in the preceding chapters, we on this subject differ from both.

Our present business is to discover whether it is by Mr. de Saint-Cricq, or by the Bordeaux petitioners, that the word labor is used in a correct sense.

Now, in this view of the question, we think that Mr. de Saint-Cricq has very much the best of it; and to prove this we may suppose them to hold some such dialogue as the following:

MR. DE SAINT-CRICQ: You grant that national labor should be protected. You grant that the products of no foreign labor can be introduced into our market without superseding a corresponding amount of our national labor. Only you contend that there are a multiplicity of products possessed of value (for they sell), but upon which no human labor has been bestowed (virgin material). And you enumerate, among other things, wheat, flour, meat, cattle, tallow, salt, iron, copper, lead, coal, wool, hides, seeds, etc.

If you will only prove to me that the value of these things is not due to labor, I will grant that it is useless to protect them.

But, on the other hand, if I demonstrate to you that there is as much labor worked up in 100 francs worth of wool as in 100 francs worth of textile fabrics, you will allow that the one is as worthy of protection as the other.

Now, why is this sack of wool worth 100 francs? Is it not because that is its cost price? And what does its cost price represent but the aggregate wages of all the labor and profits of all the capital which have contributed to the production of the commodity?

THE BORDEAUX PETITIONERS: Well, perhaps as regards wool you may be right. But take the case of a sack of corn, a bar of iron, a hundredweight of coal—are these commodities produced by labor? Are they not created by nature?

MR. DE SAINT-CRICQ: Undoubtedly nature creates the elements of all these things, but it is labor that produces the value. I was wrong myself in saying that labor created material objects, and that unfortunate form of expression has led me into other

errors. It does not belong to man to create, to make anything out of nothing, be he agriculturist or manufacturer; and if by production is meant creation, all our labor must be marked down as unproductive, and yours, as merchants, more unproductive than all others, excepting perhaps my own.

The agriculturist, then, cannot pretend to have created wheat but he has created value; I mean to say, he has, by his labor and that of his servants, laborers, reapers, etc., transformed into wheat substances which had no resemblance to it whatever. The miller who converts the wheat into flour, the baker who converts the flour into bread, do the same thing.

In order that man may be enabled to clothe himself a multitude of operations are necessary. Prior to all intervention of human labor the true raw materials of cloth are the air, the water, the heat, the gases, the light, the salts, that enter into its composition. These are the raw materials upon which, strictly speaking, no human labor has been employed. They are virgin materials; and since they have no value, I should never dream of protecting them. But the first application of labor converts these substances into grass and fodder, a second into wool, a third into yarn, a fourth into a woven fabric, a fifth into clothing. Who can assert that the whole of these operations, from the first furrow laid open by the plough to the last stitch of the tailor's needle, do not resolve themselves into labor?

And it is because these operations are spread over several branches of industry, in order to accelerate and facilitate the accomplishment of the ultimate object, which is to furnish clothing to those who have need of it, that you desire, by an arbitrary distinction, to rank the importance of such works in the order in which they succeed each other, so that the first of the series shall not merit even the name of labor, and that the last, being labor par excellence, shall be worthy of the favors of protection?

THE PETITIONERS: Yes, we begin to see that wheat, like wool, is not exactly a product of which it can be said that no human labor has been bestowed upon it; but the agriculturist has not, at least, like the manufacturer, done everything himself or by

means of his workmen; nature has assisted him, and if there is labor worked up in wheat it is not the simple product of labor.

MR. DE SAINT-CRICQ: But its value resolves itself exclusively into labor. I am happy that nature concurs in the material formation of grain. I could even wish that it were entirely her work; but you must allow that I have constrained this assistance of nature by my labor, and when I sell you my wheat you will remark this: That it is not for the labor of nature that I ask you to pay, but for my own.

But, as you state the case, manufactured commodities are no longer the exclusive products of labor. Is the manufacturer not beholden to nature in his processes? Does he not avail himself of the assistance of the steam-engine, of the pressure of the atmosphere, just as, with the assistance of the plough, I avail myself of its humidity? Has he created the laws of gravitation, of the transmission of forces, of affinity?

THE PETITIONERS: Well, this is the case of the wool over again; but coal is assuredly the work, the exclusive work, of nature. It is indeed a product upon which no human labor has ever been bestowed.

MR. DE SAINT-CRICQ: Yes, nature has undoubtedly created the coal, but labor has imparted value to it. For the millions of years during which it was buried 100 fathoms under ground, unknown to everybody, it was destitute of value. It was necessary to search for it—that is labor; it was necessary to send it to market—that is additional labor. Then the price you pay for it in the market is nothing else than the remuneration of the labor of mining and transport.<sup>1</sup>

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<sup>1</sup>I do not particularize the parts of the remuneration falling to the lessee, the capitalist, etc., for several reasons: First, because, on looking at the thing more closely, you will see that the remuneration always resolves itself into the reimbursement of advances or the payment of previous labor. Second, because, under the term labor, I include not only the wages of the workmen, but the legitimate recompense of everything that co-operates in

Thus far we see that Mr. de Saint-Cricq has the best of the argument; that the value of raw materials, like that of manufactured commodities, represents the cost of production, that is to say, the labor worked up in them; that it is not possible to conceive of a product possessing value, that has had no human labor bestowed on it; that the distinction made by the petitioners is futile in theory; that, as the basis of an unequal distribution of favors, it would be iniquitous in practice, since the result would be that one-third of our countrymen, who happened to be engaged in manufactures, would obtain the advantages of monopoly, on the alleged ground that they produce by labor, while the other two-thirds—namely, the agricultural population—would be abandoned to competition under the pretext that they produce without labor.

The rejoinder to this, I am quite sure, will be that a nation derives more advantages from importing what are called raw materials, whether produced by labor or not, and exporting manufactured commodities. This will be repeated and insisted on, and it is an opinion very widely accredited.

“The more abundant raw materials are,” says the Bordeaux petition, “the more are manufactures promoted and multiplied.”

“Raw materials,” says the same document in another place, “open up an unlimited field of work for the inhabitants of the countries into which they are imported.”

“Raw materials,” says the Havre petition, “constituting as they do the elements of labor, must be submitted to a different treatment, and be gradually admitted at the lowest rate of duty.”

The same petition expresses a wish that manufactured products should be admitted, not gradually, but after an indefinite

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the work of production. Third (and above all), because the production of manufactured products is, like that of raw materials, burdened with auxiliary remunerations other than the mere expense of manual labor; and, moreover, this objection, frivolous in itself, would apply as much to the most delicate processes of manufacture, as to the rudest operations of agriculture.

lapse of time, not at the lowest rate of duty, but at a duty of 20 percent.

“Among other articles, the low price and abundance of which are a necessity,” says the Lyons petition, “manufacturers include all raw materials.”

All this is founded on an illusion.

We have seen that all value represents labor. Now, it is quite true that manufacturing labor increases tenfold, sometimes a hundredfold, the value of the raw material; that is to say, it yields ten times, a hundred times, more profit to the nation. Hence men are led to reason thus: The production of a hundredweight of iron brings in a gain of only 15 shillings to workmen of all classes. The conversion of this hundredweight of iron into the mainsprings of watches raises their earnings to £500; and will anyone venture to say that a nation has not a greater interest to secure for its labor a gain of £500 than a gain of fifteen shillings? We do not exchange a hundredweight of un-wrought iron for a hundredweight of watchsprings, nor a hundredweight of unwashed wool for a hundredweight of cashmere shawls; but we exchange a certain value of one of these materials for an equal value of another. Now, to exchange equal value for equal value is to exchange equal labor for equal labor. It is not true, then, that a nation that sells five pounds' worth of wrought fabrics or watch-springs gains more than a nation that sells five pounds' worth of wool or iron.

In a country where no law can be voted, where no tax can be imposed, but with the consent of those whose dealings the law is to regulate, and whose pockets the tax is to affect, the public cannot be robbed without first being imposed on and misled. Our ignorance is the raw material of every extortion from which we suffer, and we may be certain beforehand that every fallacy is the precursor of an act of plunder. My good friends! when you detect a fallacy in a petition, button up your wallet-pocket, for you may be sure that this is the mark aimed at. Let us see, then, what is the real object secretly aimed at by the shipowners of Bordeaux and Havre, and the manufacturers of Lyons, and

which is concealed under the distinction they attempt to draw between agricultural and manufactured commodities.

“It is principally this first class (that which comprises raw materials, upon which no human labor has been bestowed) which affords,” say the Bordeaux petitioners, “the principal support to our merchant shipping. . . . In principle, a wise economy would not tax this class. . . . The second (commodities partly wrought up) may be taxed to a certain extent. The third (commodities which call for no more exertion of labor) we regard as the fittest subjects of taxation.”

The Havre petitioners “consider that it is indispensable to reduce gradually the duty on raw materials to the lowest rate, in order that our manufacturers may gradually find employment for the shipping interest, which furnishes them with the first and indispensable materials of labor.”

The manufacturers could not remain behindhand in politeness toward the shipowners. So the Lyons petition asks for the free introduction of raw materials, “in order to prove,” as they express it, “that the interests of the manufacturing are not always opposed to those of the maritime towns.”

No; but then the interests of both, understood as the petitioners understand them, are in direct opposition to the interests of agriculture and of consumers.

Well, gentlemen, we have come at length to see what you are aiming at, and the object of your subtle economical distinctions. You desire that the law should restrain the transport of finished goods across the ocean, in order that the more costly conveyance of raw and rough materials, bulky, and mixed up with refuse, should afford greater scope for your merchant shipping, and more largely employ your marine resources. This is what you call a wise economy.

On the same principle, why do you not ask that the pines of Russia should be brought to you with their branches, bark, and roots; the silver of Mexico in its mineral state; the hides of Buenos Aires sticking to the bones of the putrefying carcasses from which they have been torn?



I expect that railway shareholders, the moment they are in a majority in the Chambers, will proceed to make a law forbidding the manufacture of the brandy that is consumed in Paris. And why not? Would not a law enforcing the conveyance of ten casks of wine for every cask of brandy afford Parisian industry the indispensable materials of its labor, and give employment to our locomotive resources?

How long will men shut their eyes to this simple truth?

Manufactures, shipping, labor—all have for end the general, the public good; to create useless industries, to favor superfluous conveyances, to support a greater amount of labor than is necessary, not for the good of the public, but at the expense of the public—is to realize a true *petitio principii*. It is not labor that is desirable for its own sake; it is consumption. All labor without a commensurate result is a loss. You may as well pay sailors for skipping pebbles on the surface of the water as pay them for transporting useless refuse. Thus, we arrive at the result to which all economic fallacies, numerous as they are, conduct us, namely, confounding the means with the end, and developing the one at the expense of the other.

## 22

### METAPHORS

A fallacy sometimes expands, and runs through the whole texture of a long and elaborate theory. More frequently, it shrinks and contracts, assumes the guise of a principle, and lurks in a word or a phrase.

“May God protect us from the devil and from metaphors!” was the exclamation of Paul-Louis.<sup>1</sup> And it is difficult to say which of them has done most mischief in this world of ours. The devil, you will say; for he has put the spirit of plunder into all our hearts. True, but he has left free the means of repressing abuses by the resistance of those who suffer from them. It is the fallacy that paralyzes this resistance. The sword that malice puts into the hands of assailants would be powerless, did sophistry not break the buckler that should shield the party assailed. It was with reason, therefore, that Malebranche inscribed on the title-page of his work this sentence: *L’erreur est la cause de la misere des hommes* (Error is the cause of mankind’s misery).

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<sup>1</sup>Paul-Louis Courier.

Let us see in what way this takes place. Ambitious men are often actuated by sinister and wicked intentions; their design, for example, may be to implant in the public mind the germ of international hatred. This fatal germ may develop itself, light up a general conflagration, arrest civilization, cause torrents of blood to be shed, and bring upon the country the most terrible of all scourges, invasion. At any rate, and apart from this, such sentiments of hatred lower us in the estimation of other nations, and force Frenchmen who retain any sense of justice to blush for their country. These are undoubtedly most serious evils; and to guard the public against the underhand practices of those who would expose the country to such hazard, it is only necessary to see clearly into their designs. How do they manage to conceal them? By the use of metaphors. They twist, distort, and pervert the meaning of three or four words, and the thing is done.

The word invasion itself is a good illustration of this. A French ironmaster exclaims: Preserve us from the invasion of English iron. An English landowner exclaims in return: Preserve us from the invasion of French wheat. And then they proceed to interpose barriers between the two countries. These barriers create isolation, isolation gives rise to hatred, hatred to war, war to invasion. What does it signify? cry the two sophists; is it not better to expose ourselves to a possible invasion than accept an invasion that is certain? And the people believe them, and the barriers are kept up.

And yet what analogy is there between an exchange and an invasion? What possible similarity can be imagined between a ship of war that comes to vomit fire and devastation on our towns, and a merchant ship that comes to offer a free voluntary exchange of commodities for commodities?

The same thing holds of the use made of the word inundation. This word is ordinarily used in a bad sense, for we often see our fields injured, and our harvests carried away by floods. If, however, they leave on our soil something of greater value than what they carry away, like the inundations of the Nile, we should be thankful for them, as the Egyptians are. Before we declaim, then,

against the inundations of foreign products—before proceeding to restrain them by irksome and costly obstacles—we should inquire to what class they belong, and whether they ravage or fertilize. What should we think of Mehemet Ali, if, instead of raising at great cost, dams across the Nile, to extend wider its inundations, he were to spend his money in digging a deeper channel to prevent Egypt being soiled by the foreign slime that descends upon her from the Mountains of the Moon? We display exactly the same degree of wisdom and sense, when we desire, at the cost of millions, to defend our country—From what? From the benefits that nature has bestowed on other climates.

Among the metaphors that conceal a pernicious theory, there is none more in use than that presented by the words tribute and tributary.

These words have now become so common that they are used as synonymous with purchase and purchaser, and are employed indiscriminately.

And yet a tribute is as different from a purchase as a theft is from an exchange; and I should like quite as well to hear it said, Cartouche has broken into my strong-box and purchased a thousand pounds, as to hear one of our deputies repeat, We have paid Germany tribute for a thousand horses that she has sold us.

For what distinguishes the act of Cartouche from a purchase is that he has not put into my strong-box, and with my consent, a value equivalent to what he has taken out of it.

And what distinguishes our remittance of £20,000 that we have made to Germany from a tribute paid to her is this, that she has not received the money gratuitously, but has given us in exchange a thousand horses, which we have judged to be worth the £20,000.

Is it worthwhile exposing seriously such an abuse of language? Yes; for these terms are used seriously both in newspapers and in books.

Do not let it be supposed that these are instances of a mere *lapsus linguae* on the part of certain ignorant writers! For one writer who abstains from so using them, I will point you out ten

who admit them, and among the rest, the D'Argouts, the Dupins, the Villeles—peers, deputies, ministers of state—men, in short, whose words are laws, and whose fallacies, even the most transparent, serve as a basis for the government of the country.

A celebrated modern philosopher has added to the categories of Aristotle the fallacy that consists in employing a phrase that includes a *petitio principii*. He gives many examples of it; and he should have added the word tributary to his list. The business, in fact, is to discover whether purchases made from foreigners are useful or hurtful. They are hurtful, you say. And why? Because they render us tributaries to the foreigner. This is just to use a word that implies the very thing to be proved.

It may be asked how this abuse of words first came to be introduced into the rhetoric of the monopolists?

Money leaves the country to satisfy the rapacity of a victorious enemy. Money also leaves the country to pay for commodities. An analogy is established between the two cases by taking into account only the points in which they resemble each other, and keeping out of view the points in which they differ.

Yet this circumstance—that is to say, the non-reimbursement in the first case, and the reimbursement voluntarily agreed upon in the second—establishes between them such a difference that it is really impossible to class them in the same category. To hand over a hundred pounds by force to a man who has caught you by the throat, or to hand them over voluntarily to a man who furnishes you with what you want, are things as different as light and darkness. You might as well assert that it is a matter of indifference whether you throw your bread into the river or eat it, for in both cases the bread is destroyed. The vice of this reasoning, like that applied to the word tribute, consists in asserting an entire similitude between two cases, looking only at their points of resemblance, and keeping out of sight the points in which they differ.

## 23

### CONCLUSION

**A**ll the Sophisms I have so far combated relate to the restrictive policy; and some of the most notable on this subject I have, in pity to the reader, even passed over: acquired rights; unsuitableness; exhaustion of money, etc., etc.

But Social economy is not confined within this narrow circle. Fourierism, Saint Simonism, Commonism, agrarianism, anti-rentism, mysticism, sentimentalism, false philanthropy, affected aspirations for a chimerical equality and fraternity; questions relative to luxury, wages, machinery; to the pretended tyranny of capital; to colonies, outlets, population; to emigration, association, imposts, and loans, have encumbered the field of Science with a crowd of parasitical arguments—Sophisms, whose rank growth calls for the spade and the weeding-hoe.

I am perfectly aware of the defect of my plan, or rather absence of plan. By attacking as I do, one by one, so many incoherent Sophisms, which clash and then again often mingle with each other, I am conscious that I condemn myself to a disorderly and capricious struggle, and am exposed to perpetual repetitions.

I should certainly much prefer to state simply how things are, without troubling myself to contemplate the thousand aspects under which ignorance supposes them to be. . . . To lay down all together the laws under which society prospers or perishes, would be virtually to destroy at once all Sophisms. When Laplace described what, up to his time, was known of the movements of celestial bodies, he dissipated, without even naming them, all the astrological reveries of the Egyptians, Greeks, and Hindus, much more certainly than he could have done by attempting to refute them directly, through innumerable volumes. Truth is one, and the work that expounds it is an imposing and durable edifice. Error is multiple, and of ephemeral nature. The work that combats it, cannot bear in itself a principle of greatness or of durability.

But if power, and perhaps opportunity, have eluded me, to enable me to proceed in the manner of Laplace and of Say, I still cannot but believe that the mode adopted by me has also its modest usefulness. It appears to me likewise to be well suited to the wants of the age, and to the broken moments that it is now the habit to snatch for study.

A treatise has without doubt an incontestable superiority. But it requires to be read, meditated, and understood. It addresses itself to the select few. Its mission is first to fix attention, and then to enlarge the circle of acquired knowledge.

A work that undertakes the refutation of vulgar prejudices, cannot have so high an aim. It aspires only to clear the way for the steps of Truth; to prepare the minds of men to receive her; to rectify public opinion, and to snatch from unworthy hands dangerous weapons they misuse.

It is above all in social economy that this hand-to-hand struggle, this ever-reviving combat with popular errors, has a true practical utility.

Sciences might be arranged in two categories. Those of the first class whose application belongs only to particular professions, can be understood only by the learned; but the most ignorant may profit by their fruits. We may enjoy the comforts of a watch; we may be transported by locomotives or steamboats,

although knowing nothing of mechanism and astronomy. We walk according to the laws of equilibrium, while entirely ignorant of them.

But there are sciences whose influence upon the public is proportioned only to the information of that public itself, and whose efficacy consists not in the accumulated knowledge of some few learned heads, but in that which has diffused itself into the reason of man in the aggregate. Such are morals, hygiene, social economy, and (in countries where men belong to themselves) political economy. Of these sciences Bentham might above all have said: "It is better to circulate, than to advance them." What does it profit us that a great man, even a God, should promulgate moral laws, if the minds of men, steeped in error, will constantly mistake vice for virtue, and virtue for vice? What does it benefit us that Smith, Say and, according to Mr. de St. Chamans, political economists of every school, should have proclaimed the superiority in all commercial transactions, of liberty above restraint, if those who make laws, and for whom laws are made, are convinced of the contrary? These sciences, which have very properly been named social, are again peculiar in this, that they, being of common application, no one will confess himself ignorant of them. If the object be to determine a question in chemistry or geometry, nobody pretends to have an innate knowledge of the science, or is ashamed to consult Mr. Thenard, or to seek information from the pages of Legendre or Bezout. But in the social sciences authorities are rarely acknowledged. As each individual daily acts upon his own notions whether right or wrong, of morals, hygiene, and economy; of politics, whether reasonable or absurd, each one thinks he has a right to prattle, comment, decide, and dictate in these matters. Are you sick? There is not a good old woman in the country who is not ready to tell you the cause and the remedy of your sufferings. "It is from humors in the blood," says she, "you must be purged." But what are these humors, or are there any humors at all? On this subject she troubles herself but little. This good old woman comes into my mind whenever I hear an attempt made to account for all the maladies



of the social body, by some trivial form of words. It is superabundance of produce, tyranny of capital, industrial surplus, or other such nonsense, of which it would be fortunate if we could say: *Verba et voces proetereaque nihil*, for these are errors from which fatal consequences follow.

From what has just been stated, the two following results may be deduced: First, that the social sciences, more than others, necessarily abound in Sophisms, because in their application, each individual consults only his own judgment and his own instincts. Second, that in these sciences Sophisms are especially injurious, because they mislead opinion on a subject in which opinion is power—is law.

Two kinds of books then are necessary in these sciences, those that teach, and those that circulate; those that expound the truth, and those that combat error.

I believe that the inherent defect of this little work, repetition, is what is likely to be the cause of its principal utility. Among the Sophisms it has discussed, each has undoubtedly its own formula and tendency, but all have a common root; and this is, the forgetfulness of the interests of men considered as consumers. By showing that a thousand mistaken roads all lead to this great seminal Sophism, I may perhaps teach the public to recognize, to know, and to mistrust it, under all circumstances.

After all, I am less at forcing convictions, than at waking doubts.

I have no hope that the reader as he lays down my book will exclaim, I know. My aspirations will be fully satisfied if he can but sincerely say, I doubt.

“I doubt, for I begin to fear that there may be something illusory in the supposed blessings of scarcity.” (Sophism 1)

“I am not so certain of the beneficial effect of obstacles.” (Sophism 2)

“Effort without result no longer appears to me so desirable as result without effort.” (Sophism 3)

“I understand that the more an article has been labored upon, the more is its value. But in trade, do two equal values cease to be

equal, because one comes from the plough, and the other from the workshop?" (Sophism 21)

"I confess that I begin to think it doubtful that mankind should be the better of hindrances and obstacles, or should grow rich upon taxes; and truly I would be relieved from some anxiety, would be really happy to see the proof of the fact, as stated by the author of "the Sophisms," that there is no incompatibility between prosperity and justice, between peace and liberty, between the extension of labor and the advance of intelligence." (Sophisms 14 and 20)

"Without, then, giving up entirely to arguments that I am yet in doubt whether to look upon as fairly reasoned, or as self-contradictory, I will at least seek enlightenment from the masters of the science."

I will now terminate this sketch by a last and important recapitulation.

The world is not sufficiently conscious of the influence exercised over it by Sophistry.

When might ceases to be right, and the government of mere strength is dethroned, Sophistry transfers the empire to cunning and subtlety. It would be difficult to determine which of the two tyrannies is most injurious to mankind.

Men have an immoderate love for pleasure, influence, consideration, power—in a word, for riches; and they are, by an almost unconquerable inclination, pushed to procure these at the expense of others.

But these others, who form the public, have a no less strong inclination to keep what they have acquired; and this they will do, if they have the strength and the knowledge to effect it.

Spoilation, which plays so important a part in the affairs of this world, has then two agents; Force and Cunning. She has also two checks; Courage and Knowledge.

Force applied to spoilation furnishes the great material for the annals of men. To retrace its history would be to present almost the entire history of every nation: Assyrians, Babylonians, Medes, Persians, Greeks, Romans, Goths, Franks, Huns, Turks, Arabs,

Tartars, without counting the more recent expeditions of the English in India, the French in Africa, the Russians in Asia, etc., etc.

But among civilized nations surely the producers of riches are now become sufficiently numerous and strong to defend themselves.

Does this mean that they are no longer robbed? They are as much so as ever, and moreover they rob one another.

The only difference is that Spoliation has changed her agent. She acts no longer by Force, but by Cunning.

To rob the public, it is necessary to deceive them. To deceive them, it is necessary to persuade them that they are robbed for their own advantage, and to induce them to accept in exchange for their property, imaginary services, and often worse. Hence spring Sophisms in all their varieties. Then, since Force is held in check, Sophistry is no longer only an evil; it is the genius of evil, and requires a check in its turn. This check must be the enlightenment of the public, which must be rendered more subtle than the subtle, as it is already stronger than the strong.

GOOD PUBLIC! I now dedicate to you this first essay; though it must be confessed that the Preface is strangely transposed, and the Dedication a little tardy.

# VII.

## ECONOMIC SOPHISMS— SECOND SERIES



# 1

## NATURAL HISTORY OF SPOILIATION

**W**hy do I give myself up to that dry science, political economy?

The question is a proper one. All labor is so repugnant in its nature that one has the right to ask of what use it is.

Let us examine and see.

I do not address myself to those philosophers who, if not in their own names, at least in the name of humanity, profess to adore poverty.

I speak to those who hold wealth in esteem—and understand by this word, not the opulence of the few, but the comfort, the well-being, the security, the independence, the instruction, the dignity of all.

There are only two ways by which the means essential to the preservation, the adornment and the perfection of life may be obtained—production and spoliation. Some persons may say: “Spoliation is an accident, a local and transient abuse, denounced

by morality, punished by the law, and unworthy of the attention of political economy.”

Still, however benevolent or optimistic one may be, he is compelled to admit that spoliation is practiced on so vast a scale in this world, and is so generally connected with all great human events, that no social science, and least of all political economy, can refuse to consider it.

I go farther. That which prevents the perfection of the social system (at least in so far as it is capable of perfection) is the constant effort of its members to live and prosper at the expense of each other. So that, if spoliation did not exist, society being perfect, the social sciences would be without an object.

I go still farther. When spoliation becomes a means of subsistence for a body of men united by social ties, in course of time they make a law that sanctions it, a morality that glorifies it.

It is enough to name some of the best defined forms of spoliation to indicate the position it occupies in human affairs.

First comes war. Among savages the conqueror kills the conquered to obtain an uncontested, if not incontestable, right to game.

Next slavery. When man learns that he can make the earth fruitful by labor, he makes this division with his brother: “You work and I eat.”

Then comes superstition. “According as you give or refuse me that which is yours, I will open to you the gates of heaven or of hell.”

Finally, monopoly appears. Its distinguishing characteristic is to allow the existence of the grand social law—service for service—while it brings the element of force into the discussion, and thus alters the just proportion between service received and service rendered.

Spoliation always bears within itself the germ of its own destruction. Very rarely the many despoil the few. In such a case the latter soon become so reduced that they can no longer satisfy the cupidity of the former, and spoliation ceases for want of sustenance.

Almost always the few oppress the many, and in that case spoliation is none the less undermined, for, if it has force as an agent, as in war and slavery, it is natural that force in the end should be on the side of the greater number. And if deception is the agent, as with superstition and monopoly, it is natural that the many should ultimately become enlightened.

Another law of Providence wars against spoliation. It is this:

Spoliation not only displaces wealth, but always destroys a portion.

War annihilates values.

Slavery paralyzes the faculties.

Monopoly transfers wealth from one pocket to another, but it always occasions the loss of a portion in the transfer.

This is an admirable law. Without it, provided the strength of oppressors and oppressed were equal, spoliation would have no end.

A moment comes when the destruction of wealth is such that the despoiler is poorer than he would have been if he had remained honest.

So it is with a people when a war costs more than the booty is worth; with a master who pays more for slave labor than for free labor; with a priesthood which has so stupefied the people and destroyed its energy that nothing more can be gotten out of it; with a monopoly which increases its attempts at absorption as there is less to absorb, just as the difficulty of milking increases with the emptiness of the udder.

Monopoly is a species of the genus spoliation. It has many varieties, among them sinecure, privilege, and restriction upon trade.

Some of the forms it assumes are simple and naive, like feudal rights. Under this regime the masses are despoiled, and know it.

Other forms are more complicated. Often the masses are plundered, and do not know it. It may even happen that they believe that they owe every thing to spoliation, not only what is left them but what is taken from them, and what is lost in the operation. I also assert that, in the course of time, thanks to the



ingenious machinery of habit, many people become spoilers without knowing it or wishing it. Monopolies of this kind are begotten by fraud and nurtured by error. They vanish only before the light.

I have said enough to indicate that political economy has a manifest practical use. It is the torch that, unveiling deceit and dissipating error, destroys that social disorder called spoliation. Someone, a woman I believe, has correctly defined it as “the safety-lock upon the property of the people.”

#### COMMENTARY

If this little book were destined to live three or four thousand years, to be read and re-read, pondered and studied, phrase by phrase, word by word, and letter by letter, from generation to generation, like a new Koran; if it were to fill the libraries of the world with avalanches of annotations, explanations and paraphrases, I might leave to their fate, in their rather obscure conciseness, the thoughts that precede. But since they need a commentary, it seems wise to me to furnish it myself.

The true and equitable law of humanity is the free exchange of service for service. Spoliation consists in destroying by force or by trickery the freedom of exchange, in order to receive a service without rendering one.

Forcible spoliation is exercised thus: Wait till a man has produced something; then take it away from him by violence.

It is solemnly condemned in the Ten Commandments: Thou shalt not steal.

When practiced by one individual on another, it is called robbery, and leads to the prison; when practiced among nations, it takes the name of conquest, and leads to glory.

Why this difference? It is worth while to search for the cause. It will reveal to us an irresistible power, public opinion, which, like the atmosphere, envelopes us so completely that we do not notice it. Rousseau never said a truer thing than this: “A great deal of philosophy is needed to understand the facts that are very near to us.”

The robber, for the reason that he acts alone, has public opinion against him. He terrifies all who are about him. Yet, if he has companions, he boasts to them on his exploits, and here we may begin to notice the power of public opinion, for the approbation of his band serves to obliterate all consciousness of his turpitude, and even to make him proud of it. The warrior lives in a different atmosphere. The public opinion that would rebuke him is among the vanquished. He does not feel its influence. But the opinion of those by whom he is surrounded approves his acts and sustains him. He and his comrades are vividly conscious of the common interest that unites them. The country, which has created enemies and dangers, needs to stimulate the courage of its children. To the most daring, to those who have enlarged the frontiers, and gathered the spoils of war, are given honors, reputation, glory. Poets sing their exploits. Fair women weave garlands for them. And such is the power of public opinion that it separates the idea of injustice from spoliation, and even rids the despoiler of the consciousness of his wrong-doing.

The public opinion that reacts against military spoliation, (as it exists among the conquered and not among the conquering people) has very little influence. But it is not entirely powerless. It gains in strength as nations come together and understand one another better. Thus, it can be seen that the study of languages and the free communication of peoples tend to bring about the supremacy of an opinion opposed to this sort of spoliation.

Unfortunately, it often happens that the nations adjacent to a plundering people are themselves spoilers when opportunity offers, and hence are imbued with the same prejudices.

Then there is only one remedy—time. It is necessary that nations learn by harsh experience the enormous disadvantage of despoiling each other.

You say there is another restraint—moral influences. But moral influences have for their object the increase of virtuous actions. How can they restrain these acts of spoliation when these very acts are raised by public opinion to the level of the highest virtues? Is there a more potent moral influence than religion? Has

there ever been a religion more favorable to peace or more universally received than Christianity? And yet what has been witnessed during eighteen centuries? Men have gone out to battle, not merely in spite of religion, but in the very name of religion.

A conquering nation does not always wage offensive war. Its soldiers are obliged to protect the hearthstones, the property, the families, the independence and liberty of their native land. At such a time war assumes a character of sanctity and grandeur. The flag, blessed by the ministers of the God of Peace, represents all that is sacred on earth; the people rally to it as the living image of their country and their honor; the warlike virtues are exalted above all others. When the danger is over, the opinion remains, and by a natural reaction of that spirit of vengeance that confounds itself with patriotism, they love to bear the cherished flag from capital to capital. It seems that nature has thus prepared the punishment of the aggressor.

It is the fear of this punishment, and not the progress of philosophy, that keeps arms in the arsenals, for it cannot be denied that those people who are most advanced in civilization make war, and bother themselves very little with justice when they have no reprisals to fear. Witness the Himalayas, the Atlas, and the Caucasus.

If religion has been impotent, if philosophy is powerless, how is war to cease?

Political economy demonstrates that even if the victors alone are considered, war is always begun in the interest of the few, and at the expense of the many. All that is needed, then, is that the masses should clearly perceive this truth. The weight of public opinion, which is yet divided, would then be cast entirely on the side of peace.

Forcible spoliation also takes another form. Without waiting for a man to produce something in order to rob him, they take possession of the man himself, deprive him of his freedom, and force him to work. They do not say to him, "If you will do this for me, I will do that for you," but they say to him, "You take all the troubles; we, all the enjoyments." This is slavery.

Now it is important to inquire whether it is not in the nature of uncontrolled power always to abuse itself.

For my part I have no doubt of it, and should as soon expect to see the power that could arrest a stone in falling proceed from the stone itself, as to trust force within any defined limits.

I should like to be shown a country where slavery has been abolished by the voluntary action of the masters.

Slavery furnishes a second striking example of the impotence of philosophical and religious sentiments in a conflict with the energetic activity of self interest.

This may seem sad to some modern schools which seek the reformation of society in self-denial. Let them begin by reforming the nature of man.

In the West Indies the masters, from father to son, have, since slavery was established, professed the Christian religion. Many times a day they repeat these words: "All men are brothers. Love thy neighbor as thyself; in this are the law and the prophets fulfilled." Yet they hold slaves, and nothing seems to them more legitimate or natural. Do modern reformers hope that their moral creed will ever be as universally accepted, as popular, as authoritative, or as often on all lips as the Gospel? If that has not passed from the lips to the heart, over or through the great barrier of self-interest, how can they hope that their system will work this miracle?

Well, then, is slavery invulnerable? No; self-interest, which founded it, will one day destroy it, provided the special interests that have created it do not stifle those general interests that tend to overthrow it.

Another truth demonstrated by political economy is that free labor is progressive, and slave labor stationary. Hence the triumph of the first over the second is inevitable. What has become of the cultivation of indigo by the blacks?

Free labor, applied to the production of sugar, is constantly causing a reduction in the price. Slave property is becoming proportionately less valuable to the master. Slavery will soon die out in the West Indies unless the price of sugar is artificially raised

by legislation. Accordingly we see today the masters, their creditors and representatives, making vigorous efforts to maintain these laws, which are the pillars of the edifice.

Unfortunately they still have the sympathy of people among whom slavery has disappeared, from which circumstances the sovereignty of public opinion may again be observed. If public opinion is sovereign in the domain of force, it is much more so in the domain of fraud. Fraud is its proper sphere. Stratagem is the abuse of intelligence. Imposture on the part of the despoiler implies credulity on the part of the despoiled, and the natural antidote of credulity is truth. It follows that to enlighten the mind is to deprive this species of spoliation of its support.

I will briefly pass in review a few of the different kinds of spoliation that are practiced on an exceedingly large scale. The first which presents itself is spoliation through the avenue of superstition. In what does it consist? In the exchange of food, clothing, luxury, distinction, influence, power—substantial services for fictitious services. If I tell a man: “I will render you an immediate service,” I am obliged to keep my word, or he would soon know what to depend upon, and my trickery would be unmasked.

But if I should tell him, “In exchange for your services I will do you immense service, not in this world but in another; after this life you may be eternally happy or miserable, and that happiness or misery depends upon me; I am a vicar between God and man, and can open to you the gates of heaven or of hell,” if that man believes me he is at my mercy.

This method of imposture has been very extensively practiced since the beginning of the world, and it is well known what omnipotence the Egyptian priests attained by such means.

It is easy to see how impostors proceed. It is enough to ask one’s self what he would do in their place.

If I, entertaining views of this kind, had arrived in the midst of an ignorant population, and were to succeed by some extraordinary act or marvelous appearance in passing myself off as a supernatural being, I would claim to be a messenger from God, having an absolute control over the future destinies of men.

Then I would forbid all examination of my claims. I would go still farther, and, as reason would be my most dangerous enemy, I would interdict the use of reason—at least as applied to this dangerous subject. I would taboo, as the savages say, this question, and all those connected with it. To question them, discuss them, or even think of them, should be an unpardonable crime.

Certainly it would be the acme of arts thus to put the barrier of the taboo upon all intellectual avenues which might lead to the discovery of my imposture. What better guarantee of its perpetuity than to make even doubt sacrilege?

However, I would add accessory guarantees to this fundamental one. For instance, in order that knowledge might never be disseminated among the masses, I would appropriate to myself and my accomplices the monopoly of the sciences. I would hide them under the veil of a dead language and hieroglyphic writing; and, in order that no danger might take me unawares, I would be careful to invent some ceremony which day by day would give me access to the privacy of all consciences.

It would not be amiss for me to supply some of the real wants of my people, especially if by doing so I could add to my influence and authority. For instance, men need education and moral teaching, and I would be the source of both. Thus I would guide as I pleased the minds and hearts of my people. I would join morality to my authority by an indissoluble chain, and I would proclaim that one could not exist without the other, so that if any audacious individual attempted to meddle with a tabooed question, society, which cannot exist without morality, would feel the very earth tremble under its feet, and would turn its wrath upon the rash innovator.

When things have come to this pass, it is plain that these people are more mine than if they were my slaves. The slave curses his chain, but my people will bless theirs, and I shall succeed in stamping, not on their foreheads, but in the very center of their consciences, the seal of slavery.

Public opinion alone can overturn such a structure of iniquity; but where can it begin, if each stone is tabooed? It is the work of time and the printing press.

God forbid that I should seek to disturb those consoling beliefs that link this life of sorrows to a life of felicity. But, that the irresistible longing that attracts us toward religion has been abused, no one, not even the Head of Christianity, can deny. There is, it seems to me, one sign by which you can know whether the people are or are not dupes. Examine religion and the priest, and see whether the priest is the instrument of religion, or religion the instrument of the priest.

If the priest is the instrument of religion, if his only thought is to disseminate its morality and its benefits on the earth, he will be gentle, tolerant, humble, charitable, and full of zeal; his life will reflect that of his divine model; he will preach liberty and equality among men, and peace and fraternity among nations; he will repel the allurements of temporal power, and will not ally himself with that which, of all things in this world, has the most need of restraint; he will be the man of the people, the man of good advice and tender consolations, the man of public opinion, the man of the Evangelist.

If, on the contrary, religion is the instrument of the priest, he will treat it as one does an instrument which is changed, bent and twisted in all ways so as to get out of it the greatest possible advantage for one's self. He will multiply tabooed questions; his morality will be as flexible as seasons, men, and circumstances. He will seek to impose on humanity by gesticulations and studied attitudes; a hundred times a day he will mumble over words whose sense has evaporated and which have become empty conventionalities. He will traffic in holy things, but just enough not to shake faith in their sanctity, and he will take care that the more intelligent the people are, the less open shall the traffic be. He will take part in the intrigues of the world, and he will always side with the powerful, on the simple condition that they side with him. In a word, it will be easy to see in all his actions that he does not desire to advance religion by the clergy, but the clergy by religion,

and as so many efforts indicate an object, and as this object according to the hypothesis, can be only power and wealth, the decisive proof that the people are dupes is when the priest is rich and powerful.

It is very plain that a true religion can be abused as well as a false one. The higher its authority the greater the fear that it may be severely tested. But there is much difference in the results. Abuse always stirs up to revolt the sound, enlightened, intelligent portion of a people. This inevitably weakens faith, and the weakening of a true religion is far more lamentable than of a false one. This kind of spoliation, and popular enlightenment, are always in an inverse ratio to one another, for it is in the nature of abuses to go as far as possible. Not that pure and devoted priests cannot be found in the midst of the most ignorant population, but how can the knave be prevented from donning the cassock and nursing the ambitious hope of wearing the mitre? Despoilers obey the Malthusian law; they multiply with the means of existence, and the means of existence of knaves is the credulity of their dupes. Turn whichever way you please, you always find need of an enlightened public opinion. There is no other antidote.

Another species of spoliation is commercial fraud, a term that seems to me too limited because the tradesman who changes his weights and measures is not alone culpable, but also the physician who receives a fee for evil counsel, the lawyer who provokes litigation, etc. In the exchange of two services one may be of less value than the other, but when the service received is that which has been agreed upon, it is evident that spoliation of that nature will diminish with the increase of public intelligence.

The next in order is the abuse in the public service—an immense field of spoliation, so immense that we can give it but partial consideration.

If God had made man a solitary animal, everyone would labor for himself. Individual wealth would be in proportion to the services each one rendered to himself. But since man is a social animal, one service is exchanged for another. A proposition you can transpose if it suits you.



In society there are certain requirements so general, so universal in their nature, that provision has been made for them in the organizing of the public service. Among these is the necessity of security. Society agrees to compensate in services of a different nature those who render it the service of guarding the public safety. In this there is nothing contrary to the principles of political economy. Do this for me, I will do that for you. The principle of the transaction is the same, although the process is different, but the circumstance has great significance.

In private transactions each individual remains the judge both of the service he renders and of that which he receives. He can always decline an exchange, or negotiate elsewhere. There is no necessity of an interchange of services, except by previous voluntary agreement. Such is not the case with the State, especially before the establishment of representative government. Whether or not we require its services, whether they are good or bad, we are obliged to accept such as are offered and to pay the price.

It is the tendency of all men to magnify their own services and to disparage services rendered them, and private matters would be poorly regulated if there was not some standard of value. This guarantee we have not (or we hardly have it), in public affairs. But still society, composed of men, however strongly the contrary may be insinuated, obeys the universal tendency. The government wishes to serve us a great deal, much more than we desire, and forces us to acknowledge as a real service that which sometimes is widely different, and this is done for the purpose of demanding contributions from us in return.

The State is also subject to the law of Malthus. It is continually living beyond its means, it increases in proportion to its means, and draws its support solely from the substance of the people. Woe to the people who are incapable of limiting the sphere of action of the State. Liberty, private activity, riches, well-being, independence, dignity, depend upon this.

There is one circumstance that must be noticed: Chief among the services we ask of the State is security. That it may guarantee this to us it must control a force capable of overcoming all

individual or collective domestic or foreign forces that might endanger it. Combined with that fatal disposition among men to live at the expense of each other, which we have before noticed, this fact suggests a danger patent to all.

You will accordingly observe on what an immense scale spoliation, by the abuses and excesses of the government, has been practiced.

If one should ask what service has been rendered the public, and what return has been made therefor, by such governments as Assyria, Babylon, Egypt, Rome, Persia, Turkey, China, Russia, England, Spain and France, he would be astonished at the enormous disparity.

At last representative government was invented, and, a priori, one might have believed that the disorder would have ceased as if by enchantment.

The principle of these governments is this:

“The people themselves, by their representatives, shall decide as to the nature and extent of the public service and the remuneration for those services.”

The tendency to appropriate the property of another, and the desire to defend one’s own, are thus brought in contact. One might suppose that the latter would overcome the former. Assuredly I am convinced that the latter will finally prevail, but we must concede that thus far it has not.

Why? For a very simple reason. Governments have had too much sagacity; people too little.

Governments are skillful. They act methodically, consecutively, on a well concerted plan, which is constantly improved by tradition and experience. They study men and their passions. If they perceive, for instance, that they have warlike instincts, they incite and inflame this fatal propensity. They surround the nation with dangers through the conduct of diplomats, and then naturally ask for soldiers, sailors, arsenals and fortifications. Often they have but the trouble of accepting them. Then they have pensions, places, and promotions to offer. All this calls for money. Hence loans and taxes.

If the nation is generous, the government proposes to cure all the ills of humanity. It promises to increase commerce, to make agriculture prosperous, to develop manufactures, to encourage letters and arts, to banish misery, etc. All that is necessary is to create offices and to pay public functionaries.

In other words, their tactics consist in presenting as actual services things that are but hindrances; then the nation pays, not for being served, but for being subservient. Governments assuming gigantic proportions end by absorbing half of all the revenues. The people are astonished that while marvelous labor-saving inventions, destined to infinitely multiply productions, are ever increasing in number, they are obliged to toil on as painfully as ever, and remain as poor as before.

This happens because, while the government manifests so much ability, the people show so little. Thus, when they are called upon to choose their agents, those who are to determine the sphere of, and compensation for, governmental action whom do they choose? The agents of the government. They entrust the executive power with the determination of the limit of its activity and its requirements. They are like the Bourgeois Gentilhomme, who referred the selection and number of his suits of clothes to his tailor.

However, things go from bad to worse, and at last the people open their eyes, not to the remedy, for there is none as yet, but to the evil.

Governing is so pleasant a trade that everybody desires to engage in it. Thus the advisers of the people do not cease to say: "We see your sufferings, and we weep over them. It would be otherwise if we governed you."

This period, which usually lasts for some time, is one of rebellions and insurrections. When the people are conquered, the expenses of the war are added to their burdens. When they conquer, there is a change of those who govern, and the abuses remain.

This lasts until the people learn to know and defend their true interests. Thus we always come back to this: there is no remedy but in the progress of public intelligence.

Certain nations seem remarkably inclined to become the prey of governmental spoliation. They are those where men, not considering their own dignity and energy, would believe themselves lost if they were not governed and administered upon in all things. Without having traveled much, I have seen countries where they think agriculture can make no progress unless the State keeps up experimental farms; that there will presently be no horses if the State has no stables; and that fathers will not have their children educated, or will teach them only immoralities, if the State does not decide what it is proper to learn. In such a country revolutions may rapidly succeed one another, and one set of rulers after another be overturned. But the governed are none the less governed at the caprice and mercy of their rulers, until the people see that it is better to leave the greatest possible number of services in the category of those which the parties interested exchange after a fair discussion of the price.

We have seen that society is an exchange of services, and should be but an exchange of good and honest ones. But we have also proven that men have a great interest in exaggerating the relative value of the services they render one another. I cannot indeed, see any other limit to these claims than the free acceptance or free refusal of those to whom these services are offered.

Hence it comes that certain men resort to the law to curtail the natural prerogatives of this liberty. This kind of spoliation is called privilege or monopoly. We will carefully indicate its origin and character.

Everyone knows that the services he offers in the general market are the more valued and better paid for, the scarcer they are. Each one, then, will ask for the enactment of a law to keep out of the market all who offer services similar to his.

When the monopoly is an isolated fact, it never fails to enrich the person to whom the law has granted it. It may then happen that each class of workmen, instead of seeking the overthrow of this monopoly, claim a similar one for themselves. This kind of spoliation, thus reduced to a system, becomes then the most ridiculous of illusions for everyone, and the definite result is that

each one believes that he gains more from a general market impoverished by all.

It is not necessary to add that this singular regime also brings about an universal antagonism between all classes, all professions, and all peoples; that it requires the constant but always uncertain interference of government; that it swarms with the abuses that have been the subject of the preceding paragraph; that it places all industrial pursuits in hopeless insecurity; and that it accustoms men to place upon the law, and not upon themselves, the responsibility for their very existence. It would be difficult to imagine a more active cause of social disturbance.

#### JUSTIFICATION

It may be asked, “Why this ugly word—spoliation? It is not only coarse, but it wounds and irritates; it turns calm and moderate men against you, and embitters the controversy.”

I earnestly declare that I respect individuals; I believe in the sincerity of almost all the friends of Protection, and I do not claim that I have any right to suspect the personal honesty, delicacy of feeling, or philanthropy of any one. I also repeat that Protection is the work, the fatal work, of a common error, of which all, or nearly all, are at once victims and accomplices. But I cannot prevent things being what they are.

Just imagine some Diogenes putting his head out of his tub and saying, “Athenians, you are served by slaves. Have you never thought that you practice on your brothers the most iniquitous spoliation?” Or a tribune speaking in the forum, “Romans! you have laid the foundations of all your greatness on the pillage of other nations.”

They would state only undeniable truths. But must we conclude from this that Athens and Rome were inhabited only by dishonest persons? That Socrates and Plato, Cato and Cincinnatus were despicable characters?

Who could harbor such a thought? But these great men lived amidst surroundings that relieved their consciences of the sense of

this injustice. Even Aristotle could not conceive the idea of a society existing without slavery. In modern times slavery has continued to our own day without causing many scruples among the planters. Armies have served as the instruments of grand conquests—that is to say, of grand spoliations. Is this saying that they are not composed of officers and men as sensitive of their honor, even more so, perhaps, than men in ordinary industrial pursuits—men who would blush at the very thought of theft, and who would face a thousand deaths rather than stoop to a base action?

It is not individuals who are to blame, but the general movement of opinion that deludes and deceives them—a movement for which society in general is culpable.

Thus is it with monopoly. I accuse the system, and not individuals; society as a mass, and not this or that one of its members. If the greatest philosophers have been able to deceive themselves as to the iniquity of slavery, how much easier is it for farmers and manufacturers to deceive themselves as to the nature and effects of the protective system.



## 2

### TWO SYSTEMS OF MORALS

**A**rrived at the end of the preceding chapter, if he gets so far, I imagine I hear the reader say:

“Well, now, was I wrong in accusing political economists of being dry and cold? What a picture of humanity! Spoliation is a fatal power, almost normal, assuming every form, practiced under every pretext, against law and according to law, abusing the most sacred things, alternately playing upon the feebleness and the credulity of the masses, and ever growing by what it feeds on. Could a more mournful picture of the world be imagined than this?”

The problem is, not to find whether the picture is mournful, but whether it is true. And for that we have the testimony of history.

It is singular that those who decry political economy, because it investigates men and the world as it finds them, are more gloomy than political economy itself, at least as regards the past and the present. Look into their books and their journals. What do you find? Bitterness and hatred of society. They have even come to curse liberty, so little confidence have they in the



development of the human race, the result of its natural organization. Liberty, according to them, is something that will bring humanity nearer and nearer to destruction.

It is true that they are optimists as regards the future. For although humanity, in itself incapable, for six thousand years has gone astray, a revelation has come, which has pointed out to men the way of safety and, if the flock is docile and obedient to the shepherd's call, will lead them to the promised land, where well-being may be attained without effort, where order, security and prosperity are the easy reward of improvidence.

To this end humanity, as Rousseau said, has only to allow these reformers to change the physical and moral constitution of man.

Political economy has not taken upon itself the mission of finding out the probable condition of society had it pleased God to make men different from what they are. It may be unfortunate that Providence, at the beginning, neglected to call to his counsels a few of our modern reformers. And, as the celestial mechanism would have been entirely different had the Creator consulted Alphonso the Wise, society, also, had He not neglected the advice of Fourier, would have been very different from that in which we are compelled to live, and move, and breathe. But, since we are here, our duty is to study and to understand His laws, especially if the amelioration of our condition essentially depends upon such knowledge.

We cannot prevent the existence of unsatisfied desires in the hearts of men.

We cannot satisfy these desires except by labor.

We cannot deny the fact that man has as much repugnance for labor as he has satisfaction with its results.

Since man has such characteristics, we cannot prevent the existence of a constant tendency among men to obtain their part of the enjoyments of life while throwing upon others, by force or by trickery, the burdens of labor. It is not for us to belie universal history, to silence the voice of the past, which attests that this has been the condition of things since the beginning of the world. We

cannot deny that war, slavery, superstition, the abuses of government, privileges, frauds of every nature, and monopolies, have been incontestable and terrible manifestations of these two sentiments united in the heart of man: desire for enjoyment; repugnance to labor.

“In the sweat of thy brow shalt thou eat bread!” But everyone wants as much bread and as little sweat as possible. This is the conclusion of history.

Thank heaven, history also teaches that the division of blessings and burdens tends to a more exact equality among men. Unless one is prepared to deny the light of the sun, it must be admitted that, in this respect at least, society has made some progress.

If this be true, there exists in society a natural and providential force, a law that causes iniquity gradually to cease, and makes justice more and more a reality.

We say that this force exists in society, and that God has placed it there. If it did not exist we should be compelled, with the socialists, to search for it in those artificial means, in those arrangements which require a fundamental change in the physical and moral constitution of man, or rather we should consider that search idle and vain, for the reason that we could not comprehend the action of a lever without a place of support.

Let us, then, endeavor to indicate that beneficent force that tends progressively to overcome the maleficent force to which we have given the name spoliation, and the existence of which is only too well explained by reason and proved by experience.

Every maleficent act necessarily has two terms— the point of beginning and the point of ending; the man who performs the act and the man upon whom it is performed; or, in the language of the schools, the active and the passive agent. There are, then, two means by which the maleficent act can be prevented: by the voluntary absence of the active, or by the resistance of the passive agent. Whence two systems of morals arise, not antagonistic but concurrent; religious or philosophical morality, and the morality

to which I permit myself to apply the name economical (utilitarian).

Religious morality, to abolish and extirpate the maleficent act, appeals to its author, to man in his capacity of active agent. It says to him: "Reform yourself; purify yourself; cease to do evil; learn to do well; conquer your passions; sacrifice your interests; do not oppress your neighbor, to succor and relieve whom is your duty; be first just, then generous." This morality will always be the most beautiful, the most touching, that which will exhibit the human race in all its majesty; which will the best lend itself to the offices of eloquence, and will most excite the sympathy and admiration of mankind.

Utilitarian morality works to the same end, but especially addresses itself to man in his capacity of passive agent. It points out to him the consequences of human actions, and, by this simple exhibition, stimulates him to struggle against those who injure, and to honor those who are useful to him. It aims to extend among the oppressed masses enough good sense, enlightenment and just defiance, to render oppression both difficult and dangerous.

It may also be remarked that utilitarian morality is not without its influence upon the oppressor. An act of spoliation causes good and evil—evil for him who suffers it, good for him in whose favor it is exercised—else the act would not have been performed. But the good by no means compensates the evil. The evil always, and necessarily, predominates over the good, because the very fact of oppression occasions a loss of force, creates dangers, provokes reprisals, and requires costly precautions. The simple exhibition of these effects is not then limited to retaliation of the oppressed; it places all whose hearts are not perverted, on the side of justice, and alarms the security of the oppressors themselves.

But it is easy to understand that this morality, which is simply a scientific demonstration, and would even lose its efficiency if it changed its character; which addresses itself not to the heart but to the intelligence; which seeks not to persuade but to convince;

which gives proofs not counsels; whose mission is not to move but to enlighten, and which obtains over vice no other victory than to deprive it of its spoils—it is easy to understand, I say, how this morality has been accused of being dry and prosaic. The reproach is true without being just. It is equivalent to saying that political economy is not everything, does not comprehend everything, is not the universal solvent. But who has ever made such an exorbitant pretension in its name? The accusation would not be well founded unless political economy presented its processes as final, and denied to philosophy and religion the use of their direct and proper means of elevating humanity. Look at the concurrent action of morality, properly so called, and of political economy—the one inveighing against spoliation by an exposure of its moral ugliness, the other bringing it into discredit in our judgment, by showing its evil consequences. Concede that the triumph of the religious moralist, when realized, is more beautiful, more consoling and more radical; at the same time it is not easy to deny that the triumph of economical science is more facile and more certain.

In a few lines more valuable than many volumes, J.B. Say has already remarked that there are two ways of removing the disorder introduced by hypocrisy into an honorable family; to reform Tartuffe, or sharpen the wits of Orgon. Moliere, that great painter of human life, seems constantly to have had in view the second process as the more efficient.

Such is the case on the world's stage. Tell me what Caesar did, and I will tell you what were the Romans of his day.

Tell me what modern diplomacy has accomplished, and I will describe the moral condition of the nations.

We should not pay such staggering sums of taxes if we did not appoint those who consume them to vote them.

We should not have so much trouble, difficulty and expense with the African question if we were as well convinced that two and two make four in political economy as in arithmetic.

Mr. Guizot would never have had occasion to say: "France is rich enough to pay for her glory," if France had never conceived a false idea of glory.

The same statesman never would have said: "Liberty is too precious for France to traffic in it," if France had well understood that liberty and a large budget are incompatible.

Let religious morality then, if it can, touch the heart of the Tartuffes, the Caesars, the conquerors of Algeria, the sinecurists, the monopolists, etc. The mission of political economy is to enlighten their dupes. Of these two processes, which is the more efficient aid to social progress? I believe it is the second. I believe that humanity cannot escape the necessity of first learning a defensive morality. I have read, observed, and made diligent inquiry, and have been unable to find any abuse, practiced to any considerable extent, that has perished by voluntary renunciation on the part of those who profited by it. On the other hand, I have seen many that have yielded to the manly resistance of those who suffered by them.

To describe the consequences of abuses, is the most efficient way of destroying the abuses themselves. And this is true particularly in regard to abuses that, like the protective system, while inflicting real evil upon the masses, are to those who seem to profit by them only an illusion and a deception.

Well, then, does this species of morality realize all the social perfection that the sympathetic nature of the human heart and its noblest faculties cause us to hope for? This I by no means pretend. Admit the general diffusion of this defensive morality—which, after all, is only a knowledge that the best-understood interests are in accord with general utility and justice. A society, although very well regulated, might not be very attractive, where there were no knaves, only because there were no fools; where vice, always latent, and, so to speak, overcome by famine, would only need available plunder in order to be restored to vigor; where the prudence of the individual would be guarded by the vigilance of the mass and, finally, where reforms, regulating external acts, would not have penetrated to the consciences of men.

Such a state of society we sometimes see typified in one of those exact, rigorous and just men who is ever ready to resent the slightest infringement of his rights, and shrewd in avoiding impositions. You esteem him—possibly you admire him. You may make him your deputy, but you would not necessarily choose him for a friend.

Let, then, the two moral systems, instead of blaming each other, act in concert, and attack vice at its opposite poles. While the economists perform their task in uprooting prejudice, stimulating just and necessary opposition, studying and exposing the real nature of actions and things, let the religious moralist, on his part, perform his more attractive, but more difficult, labor; let him attack the very body of iniquity, follow it to its most vital parts, paint the charms of beneficence, self-denial and devotion, open the fountains of virtue where we can only choke the sources of vice—this is his duty. It is noble and beautiful. But why does he dispute the utility of that which belongs to us?

In a society that, though not superlatively virtuous, should nevertheless be regulated by the influences of economical morality (which is the knowledge of the economy of society), would there not be a field for the progress of religious morality?

Habit, it has been said, is a second nature. A country where the individual had become unaccustomed to injustice simply by the force of an enlightened public opinion might, indeed, be pitiable; but it seems to me it would be well prepared to receive an education more elevated and more pure. To be disaccustomed to evil is a great step toward becoming good. Men cannot remain stationary. Turned aside from the paths of vice that would lead only to infamy, they appreciate better the attractions of virtue. Possibly it may be necessary for society to pass through this prosaic state, where men practice virtue by calculation, to be thence elevated to that more poetic region where they will no longer have need of such an exercise.



# 3

## THE TWO HATCHETS

PETITION OF JACQUES BONHOMME, CARPENTER, TO  
MR. CUNINGRIDAIN, MINISTER OF COMMERCE

**M**r. Manufacturer Minister,

I am a carpenter by trade, as was St. Joseph of old, and I handle the hatchet and adze for your benefit.

Now, while engaged in hewing and chopping from morning to night upon the lands of our Lord the King,<sup>1</sup> the idea has struck me that my labor may be regarded as national, as well as yours.

And, in these circumstances, I cannot see why protection should not visit my woodyard as well as your workshop.

For, sooth to say, if you make cloths I make roofs; and both, in their own way, shelter our customers from cold and from rain.

And yet I run after customers, and customers run after you. You have found out the way of securing them by hindering them

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<sup>1</sup>Published in January 1848.



from supplying themselves elsewhere, while mine apply to whomsoever they think proper.

What is astonishing in all this? Mr. Cunin, the Minister of State, has not forgotten Mr. Cunin, the manufacturer—all quite natural. But alas! My humble trade has not given a Minister to France, although practiced in Biblical times by far more august personages.

And in the immortal code which I find embodied in Scripture I cannot discover the slightest expression that could be quoted by carpenters as authorizing them to enrich themselves at the expense of other people.

You see, then, how I am situated. I earn fifteen pence a day, when it is not Sunday or holiday. I offer you my services at the same time as a Flemish carpenter offers you his, and, because he abates a halfpenny, you give him the preference.

But I desire to clothe myself; and if a Belgian weaver presents his cloth alongside of yours, you drive him and his cloth out of the country. So that, being forced to frequent your shop, although the dearest, my poor fifteen pence go no further in reality than fourteen.

Nay, they are not worth more than thirteen! For in place of expelling the Belgian weaver, at your own cost (which was the least you could do), you, for your own ends, make me pay for the people you set at his heels.

And as a great number of your co-legislators, with whom you are on a marvelously good footing, take each a halfpenny or a penny, under pretext of protecting iron, or coal, or oil, or corn, I find, when everything is taken into account, that of my fifteen pence I have only been able to save sevenpence or eightpence from pillage.

You will no doubt tell me that these small halfpence, which pass in this way from my pocket to yours, maintain workpeople who reside around your castle, and enable you to live in a style of magnificence. To which I will only reply that, if the pence had been left with me, the person who earned them, they would have maintained workpeople in my neighborhood.

Be this as it may, Mr. Minister Manufacturer, knowing that I should be but ill received by you, I have not come to require you, as I had good right to do, to withdraw the restriction which you impose on your customers. I prefer following the ordinary course, and I approach you to solicit a little bit of protection for myself.

Here, of course, you will interpose a difficulty. "My good friend," you will say, "I would protect you and your fellow workmen with all my heart; but how can I confer custom-house favors on carpenter work? What use would it be to prohibit the importation of houses by sea or by land?"

That would be a good joke, to be sure; but, by dint of thinking, I have discovered another mode of favoring the children of St. Joseph, which you will welcome the more willingly, I hope, as it differs in nothing from that which constitutes the privilege you vote year after year in your own favor.

The means of favoring us that I have thus marvelously discovered is to prohibit the use of sharp axes in this country.

I maintain that such a restriction would not be in the least more illogical or more arbitrary than the one to which you subject us in the case of your cloth.

Why do you drive away the Belgians? Because they sell cheaper than you. And why do they sell cheaper than you? Because they have a certain degree of superiority over you as manufacturers.

Between you and a Belgian, therefore, there is exactly the same difference as in my trade there would be between a blunt and a sharp axe.

And you force me, as a tradesman, to purchase from you the product of the blunt hatchet!

Regard the country at large as a workman who desires, by his labor, to procure all things he has want of, and, among others, cloth.

There are two means of effecting this.

The first is to spin and weave the wool.

The second is to produce other articles, as, for example, French clocks, paper-hangings, or wines, and exchange them with the Belgians for the cloth wanted.

Of these two processes the one that gives the best result may be represented by the sharp axe, and the other by the blunt one.

You do not deny that at present, in France, we obtain a piece of cloth by the work of our own looms (that is the blunt axe) with more labor than by producing and exchanging wines (that is the sharp axe). So far are you from denying this that it is precisely because of this excess of labor (in which you say wealth consists) that you recommend, nay, that you compel the employment of the worse of the two hatchets.

Now, only be consistent, be impartial, and if you mean to be just, treat the poor carpenters as you treat yourselves.

Pass a law to this effect:

“No one shall henceforth be permitted to employ any beams or rafters but such as are produced and fashioned by blunt hatchets,”

And see what will immediately happen.

Whereas at present we give a hundred blows of the axe we shall then give three hundred. The work we now do in an hour will then require three hours. What a powerful encouragement will thus be given to labor! Masters, journeymen, apprentices, our sufferings are now at an end! We shall be in demand; and, therefore, well paid. Whoever shall henceforth desire to have a roof to cover him must comply with our exactions, just as at present whoever desires clothes to his back must comply with yours.

And should the theoretical advocates of Free Trade ever dare to call in question the utility of the measure we know well where to seek for reasons to confute them. Your inquiry of 1834 is still to be had. With that weapon we shall conquer; for you have there admirably pleaded the cause of restriction and of blunt axes, which are in reality the same thing.

## 4

### LOWER COUNCIL OF LABOR

“**W**hat! You have the nerve to demand for all citizens a right to sell, buy, barter, and exchange; to render and receive service for service, and to judge for themselves, on the single condition that they do all honestly, and comply with the demands of the public treasury? Then you simply desire to deprive our workmen of employment, of wages, and of bread?”

That is what is said to us. I know very well what to think of it; but what I wish to know is, what the workmen themselves think of it.

I have at hand an excellent instrument of inquiry. Not those Upper Councils of Industry, where extensive proprietors who call themselves laborers, rich shipowners who call themselves sailors, and wealthy shareholders who pass themselves off for workmen, turn their philanthropy to advantage in a way that we all know.

No; it is with workmen who are workmen in reality that we have to do—joiners, carpenters, masons, tailors, shoemakers,

dyers, blacksmiths, innkeepers, grocers, etc. etc.—and who in my village have founded a friendly society.

I have transformed this friendly society, by my own hand, into a Lower Council of Labor, and instituted an inquiry that will be found of great importance, although it is not crammed with figures, or inflated to the bulk of a quarto volume printed at the expense of the State.

My object was to interrogate these plain, simple people as to the manner in which they are, or believe themselves to be, affected by the policy of protection. The president pointed out that this would be infringing to some extent on the fundamental conditions of the Association. For in France, this land of liberty, people who associate give up their right to talk politics—in other words, their right to discuss their common interests. However, after some hesitation, he agreed to include the question in the order of the day.

They divided the assembly into as many committees as there were groups of distinct trades, and delivered to each committee a schedule to be filled up after fifteen days' deliberation.

On the day fixed, the worthy president (we adopt the official style) took the chair, and there were laid upon the table (still the official style) fifteen reports, which he read in succession.

The first that was taken into consideration was that of the tailors. Here is an exact and literal copy of it.

## EFFECTS OF PROTECTION. REPORT OF THE TAILORS

### ADVANTAGES

None.

Note: After all our inquiries, deliberations, and discussions, we have been quite unable to discover that in any respect whatever the policy of protection has been of advantage to our trade.

### INCONVENIENCES

1st. In consequence of the policy of protection, we pay dearer for bread, meat, sugar, firewood, thread, needles, etc., which is equivalent in our case to a considerable reduction of wages.

2nd. In consequence of the policy of protection, our customers also pay dearer for everything, and this leaves them less to spend upon clothing: whence it follows that we

have less employment, and, consequently, smaller returns.

3rd. In consequence of the policy of protection, the materials we sew are dear, and people on that account wear their clothes longer, or dispense with part of them. This, again, is equivalent to a diminution of employment, and forces us to offer our services at a lower rate of remuneration.

Here is another report:

EFFECTS OF PROTECTION.  
REPORT OF THE BLACKSMITHS

ADVANTAGES

None.

INCONVENIENCES

1st. The policy of protection imposes a tax upon us every time we eat, drink, or warm or clothe ourselves, and this tax does not go to the treasury.

2nd. It imposes a like tax upon all our fellow-citizens who are not of our trade, and they, being so much the poorer, have recourse to cheap substitutes for our work, which deprives us of the employment we should otherwise have had.

3rd. It keeps up iron at so high a price that it is not employed in the country for ploughs, grates, gates, balconies, etc.; and our trade, which might furnish employment to so many other people who are in want of it, no longer furnishes employment to ourselves.

4th. The revenue that the treasury fails to obtain from commodities that are not imported, is levied upon the salt we use, postages, etc.

All the other reports (with which it is unnecessary to trouble the reader) are to the same tune. Gardeners, carpenters, shoemakers, clogmakers, boatmen, millers, all give vent to the same complaints.

I regret that there are no agricultural laborers in our association. Their report would assuredly have been very instructive.

But alas! In our country of the Landes, the poor laborers, protected though they be, have not the means of joining an association and, having insured their cattle, they find they cannot themselves become members of a friendly society. The boon of protection does not hinder them from being the pariahs of our social order. What shall I say of the grape pickers?

What I notice, especially, is the good sense displayed by our villagers in perceiving not only the direct injury the policy of protection does them, but the indirect injury, which, although in the first instance affecting their customers, rebounds upon themselves.

This is what the economists of the *Moniteur Industriel* do not appear to understand.

And perhaps those men whose eyes a dash of protection has fascinated, especially our agriculturists, would be willing to give it up if they were enabled to see this side of the question.

In that case they might perhaps say to themselves, "Better far to be self-supported in the midst of a set of customers in easy circumstances than to be protected in the midst of an impoverished clientele.

For to desire to enrich by turns each separate branch of industry by creating a moat around each in succession, is as vain an attempt as it would be for a man to try to leap over his own shadow.

## 5

### DEARNESS—CHEAPNESS

I think it necessary to submit to the reader some theoretical remarks on the illusions to which the words dearness and cheapness give rise. At first sight, these remarks may, I feel, be regarded as subtle, but the question is not whether they are subtle or the reverse, but whether they are true. Now, I not only believe them to be perfectly true, but to be well fitted to suggest matter for reflection to men (of whom there are not a few) who have sincere faith in the efficacy of a protectionist policy.

The advocates of Liberty and the defenders of Restriction are both obliged to employ the expressions, dearness and cheapness. The former declare themselves in favor of cheapness with a view to the interest of the consumer; the latter pronounce in favor of dearness, having regard especially to the interest of the producer. Others content themselves with saying: The producer and consumer are one and the same person; which leaves undecided the question whether the law should promote cheapness or dearness.

In the midst of this conflict it would seem that the law has only one course to follow, and that is to allow prices to settle and adjust themselves naturally. But then we are attacked by the bitter



enemies of *laissez faire*. Regardless of risks they want the law to interfere, without knowing or caring in what direction. And yet it lies with those who desire to create by legal intervention an artificial dearness or an unnatural cheapness to explain the grounds of their preference. The burden of proof rests upon them exclusively. Liberty is always esteemed good till the contrary is proved; and to allow prices to settle and adjust themselves naturally is liberty.

But the parties to this dispute have changed positions. The advocates of dearness have secured the triumph of their system, and it lies with the defenders of natural prices to prove the goodness of their cause. On both sides the argument turns on two words; and it is therefore very essential to ascertain what these two words really mean.

But we must first of all notice a series of facts which are fitted to disconcert the champions of both camps. To engender dearness the restrictionists have obtained protective duties, and a cheapness, which is to them inexplicable, has come to deceive their hopes.

To create cheapness, the free traders have occasionally succeeded in securing liberty, and, to their astonishment, an elevation of prices has been the consequence.

For example, in France, in order to favor agriculture, a duty of 22 percent has been imposed on foreign wool, and it has turned out that French wool has been sold at a lower price after the measure than before it.

In England, to satisfy the consumer, they lowered, and ultimately removed, the duty on foreign wool; and it has come to pass that in that country the price of wool is higher than ever.

And these are not isolated facts; for the price of wool is governed by precisely the same laws that govern the price of everything else. The same result is produced in all analogous cases. Contrary to expectation, protection has, to some extent, brought about a fall, and competition, to some extent, a rise of prices.

When the confusion of ideas thence arising had reached its height, the protectionists began saying to their adversaries: "It is

our system that brings about the cheapness of which you boast so much.” To which the reply was: “It is liberty that has induced the dearness which you find so useful.”<sup>1</sup>

Evidently there is in all this a misconception, an illusion, that it is necessary to clear up; and this is what I shall now endeavor to do.

Put the case of two isolated nations, each composed of a million inhabitants. Grant that, other things being equal, the one possesses double the quantity of everything—wheat, meat, iron, furniture, fuel, books, clothing, etc.—that the other possesses.

It will be granted that the one is twice as rich as the other.

And yet there is no reason to affirm that a difference in actual money prices<sup>2</sup> exists in the two countries. Nominal prices may perhaps be higher in the richer country. It may be that in the United States everything is nominally dearer than in Poland, and that the population of the former country should, nevertheless, be better provided with all that they need; whence we infer that it is not the nominal price of products but their comparative abundance, that constitutes wealth. When, then, we desire to pronounce an opinion on the comparative merits of restriction and free trade, we should not inquire which of the two systems engenders dearness or cheapness, but which of the two brings abundance or scarcity.

For observe this, that products being exchanged for each other, a relative scarcity of all, and a relative abundance of all, leave the nominal prices of commodities in general at the same

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<sup>1</sup>Recently, Mr. Duchatel, who had formerly advocated free trade, with a view to low prices, said to the Chamber: “It would not be difficult for me to prove that protection leads to cheapness.”

<sup>2</sup>The expression, *prix absolu* (absolute prices), which the author employs here and in chapter 9 of the first series (ante), is not, I think, used by English economists, and from the context in both instances I take it to mean actual money prices; or what Adam Smith terms nominal prices.—Translator.

point; but this cannot be affirmed of the relative condition of the inhabitants of the two countries.

Let us dip a little deeper still into this subject.

When we see an increase and a reduction of duties produce effects so different from what we had expected, depreciation often following taxation, and enhancement following free trade, it becomes the imperative duty of political economy to seek an explanation of phenomena so much opposed to received ideas; for it is needless to say that a science, if it is worthy of the name, is nothing else than a faithful statement and a sound explanation of facts.

Now the phenomenon we are here examining is explained very satisfactorily by a circumstance of which we must never lose sight.

Dearness is due to two causes, and not to one only.

The same thing holds good of cheapness.

It is one of the least disputed points in political economy that price is determined by the relative state of supply and demand.

There are then two terms that affect price—supply and demand. These terms are essentially variable. They may be combined in the same direction, in contrary directions, and in infinitely varied proportions. Hence the combinations of which price is the result are inexhaustible. High price may be the result either of diminished supply or of increased demand.

Low price may be the result of increased supply or of diminished demand.

Hence there are two kinds of dearness, and two kinds of cheapness.

There is a dearness of an injurious kind, that which proceeds from a diminution of supply, for that implies scarcity, privation (such as has been felt this year from the scarcity of wheat); and there is a dearness of a beneficial kind, that which results from an increase of demand, for the latter presupposes the development of general wealth.

In the same way, there is a cheapness that is desirable, that which has its source in abundance; and an injurious cheapness,

that has for its cause the failure of demand, and the impoverishment of consumers.

Now, please note this: that restriction tends to induce, at the same time, both the injurious cause of dearness, and the injurious cause of cheapness—injurious dearness, by diminishing the supply, for this is the avowed object of restriction; and injurious cheapness, by diminishing also the demand; seeing that it gives a false direction to labor and capital, and fetters consumers with taxes and trammels.

So that, as regards price, these two tendencies neutralize each other; and this is the reason why the restrictive system, restraining as it does, demand and supply at one and the same time, does not in the long run realize even that dearness which is its object.

But, as regards the condition of the population, these causes do not at all neutralize each other; on the contrary, they concur in making it worse.

The effect of freedom of trade is exactly the opposite. In its general result, it may be that it does not realize the cheapness it promises; for it has two tendencies, one toward desirable cheapness through the extension of supply, or abundance; the other toward appreciable dearness by the development of demand, or general wealth. These two tendencies neutralize each other in what concerns nominal price, but they concur in what regards the material prosperity of the population.

In short, under the restrictive system, in so far as it is operative, men recede toward a state of things in which both demand and supply are enfeebled. Under a system of freedom, they progress toward a state of things in which both are developed simultaneously, and without necessarily affecting nominal prices. Such prices form no good criterion of wealth. They may remain the same while society is falling into a state of the most abject poverty or while it is advancing toward a state of the greatest prosperity.

We shall now, in a few words, show the practical application of this doctrine.

A cultivator of the south of France believes himself to be very rich, because he is protected by duties from external competition.

He may be as poor as Job; but he nevertheless imagines that sooner or later he will get rich by protection. In these circumstances, if we ask him the question that was put by the Odier Committee in these words:

“Do you desire—yes or no—to be subject to foreign competition?” His first impulse is to answer “No,” and the Odier Committee proudly welcomes his response.

However, we must go a little deeper into the matter. Unquestionably, foreign competition—nay, competition in general—is always troublesome; and if one branch of trade alone could eliminate it, that branch of trade would for some time profit largely.

But protection is not an isolated favor; it is a system. If, to the profit of the agriculturist, protection tends to create a scarcity of wheat and of meat, it tends likewise to create, to the profit of other industries, a scarcity of iron, of cloth, of fuel, tools, etc.—a scarcity, in short, of everything.

Now, if a scarcity of wheat tends to enhance its price through a diminution of supply, the scarcity of all other commodities for which wheat is exchanged tends to reduce the price of wheat by a diminution of demand, so that it is not at all certain that ultimately wheat will be a penny dearer than it would have been under a system of free trade. There is nothing certain in the whole process but this—that as there is upon the whole less of every commodity in the country, each man will be less plentifully provided with everything he has occasion to buy.

The agriculturist should ask himself whether it would not be more to his interest that a certain quantity of wheat and cattle should be imported from abroad, and that he should at the same time find himself surrounded by a population in easy circumstances, able and willing to consume and pay for all sorts of agricultural produce.

Imagine a place in which the people are clothed in rags, fed upon chestnuts, and lodged in hovels. How can agriculture flourish in such a locality? What can the soil be made to produce with a well-founded expectation of fair remuneration? Meat? The people do not eat it. Milk? They must content themselves with water. Butter? It is regarded as a luxury. Wool? The use of it is dispensed

with as much as possible. Does anyone imagine that all the ordinary objects of consumption can thus be put beyond the reach of the masses, without tending to lower prices as much as protection is tending to raise them?

What has been said of the agriculturist holds equally true of the manufacturer. Our manufacturers of cloth assure us that external competition will lower prices by increasing the supply. Granted; but will not these prices be again raised by an increased demand? Is the consumption of cloth a fixed and invariable quantity? Has every man as much of it as he would wish to have? And if general wealth is advanced and developed by the abolition of all these taxes and restrictions, will the first use to which this emancipation is turned by the population not be to dress better?

The question—the constantly-recurring question—then, is not to find out whether protection is favorable to any one special branch of industry, but whether, when everything is weighed, balanced, and taken into account, restriction is in its own nature, more productive than liberty.

Now, no one will venture to maintain this. On the contrary, we are perpetually met with the admission, “You are right in principle.”

If it be so, if restriction confers no benefit on individual branches of industry without doing a greater amount of injury to general wealth, we are forced to conclude that actual money prices, considered by themselves, only express a relation between each special branch of industry and industry in general, between supply and demand; and that, on this account, a remunerative price, which is the professed object of protection, is rather injured than favored by the system.

#### SUPPLEMENT

The article we have published under the title of Dearness, Cheapness, has brought us several letters. We give them, along with our replies:

MR. EDITOR—You upset all our ideas. I endeavored to aid the cause of free trade, and found it necessary to urge the consideration

of cheapness. I went about everywhere, saying, "When freedom of trade is accorded, bread, meat, cloth, linen, iron, fuel, will go on falling in price." This displeased those who sell, but gave great pleasure to those who buy these commodities. And now you throw out doubts as to whether free trade will bring us cheapness or not. What, then, is to be gained by it? What gain will it be to the people if foreign competition, which may damage their sales, does not benefit them in their purchases?

MR. FREE-TRADER—Allow us to tell you that you must have read only half the article that has called forth your letter. We said that free trade acts exactly in the same way as roads, canals, railways, and everything else that facilitates communication by removing obstacles. Its first tendency is to increase the supply of the commodity freed from duty, and consequently to lower its price. But by augmenting at the same time the supply of all other commodities for which this article is exchanged, it increases the demand, and the price by this means rises again. You ask what gain this would be to the people? Suppose a balance with several scales, in each of which is deposited a certain quantity of the articles you have enumerated. If you add to the wheat in one scale it will tend to fall; but if you add a little cloth, a little iron, a little fuel, to what the other scales contained, you will redress the equilibrium. If you look only at the beam, you will find nothing changed. But if you look at the people for whose use these articles are produced, you will find them better fed, clothed, and warmed.

MR. EDITOR—I am a manufacturer of cloth, and a protectionist. I confess that your article on dearness and cheapness has made me reflect. It contains something specious that would require to be well established before we declare ourselves converted.

MR. PROTECTIONIST—We say that your restrictive measures have an iniquitous object in view, namely, artificial dearness. But we do not affirm that they always realize the hopes of those who promote them. It is certain that they inflict on the consumer all the injurious consequences of scarcity. It is not certain that

they always confer a corresponding advantage on the producer. Why? Because if they diminish the supply, they diminish also the demand.

This proves that there is in the economic arrangement of this world a moral force, a *vis medicatrix*, which causes unjust ambition in the long run to fall prey to self-deception.

Would you have the goodness, sir, to remark that one of the elements of the prosperity of each individual branch of industry is the general wealth of the community. The value of a house is not always in proportion to what it has cost, but likewise in proportion to the number and fortune of the tenants. Are two houses exactly similar necessarily of the same value? By no means, if the one is situated in Paris and the other in Lower Brittany. Never speak of price without taking into account collateral circumstances, and let it be remembered that no attempt is so vain as to endeavor to found the prosperity of parts on the ruin of the whole. And yet this is what the policy of restriction pretends to do.

Consider what would have happened at Paris, for example, if this strife of interests had been attended with success.

Suppose that the first shoemaker who established himself in that city had succeeded in ejecting all others; that the first tailor, the first mason, the first printer, the first watchmaker, the first physician, the first baker, had been equally successful. Paris would at this moment have been still a village of 1,200 or 1,500 inhabitants. It has turned out very differently. The market of Paris has been open to all (excepting those whom you still keep out), and it is this freedom that has enlarged and aggrandized it. The struggles of competition have been bitter and long continued, and this is what has made Paris a city of a million inhabitants. The general wealth has increased, no doubt; but has the individual wealth of the shoemakers and tailors been diminished? This is the question you have to ask. You may say that according as the number of competitors increased, the price of their products would go on falling. Has it done so? No; for if the supply has been augmented, the demand has been enlarged.



The same thing will hold good of your commodity, cloth; let it enter freely. You will have more competitors in the trade, it is true; but you will have more customers, and, above all, richer customers. Is it possible you can never have thought of this, when you see nine-tenths of your fellow citizens underclothed in winter, for want of the commodity you manufacture?

If you wish to prosper, allow your customers to thrive. This is a lesson you have been very long in learning. When it is thoroughly learned, each man will seek his own interest in the general good; and then jealousies between man and man, town and town, province and province, nation and nation, will no longer trouble the world.

## 6

### TO ARTISANS AND WORKMEN

**M**any journals have attacked me in your presence and hearing.<sup>1</sup> Perhaps you will not object to read my defense.

I am not suspicious. When a man writes or speaks, I take it for granted that he believes what he says.

And yet, after reading and re-reading the journals to which I now reply, I seem unable to discover any other than melancholy tendencies.

Our present business is to inquire which is more favorable to your interests—liberty or restriction.

I believe that it is liberty; they believe that it is restriction. It is for each party to prove his own thesis.

Was it necessary to insinuate that we free traders are the agents of England, of the south of France, of the Government?

On this point you see how easy recrimination would be.

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<sup>1</sup>This article appeared in the *Courier Francaise* of September, 1846, in reply to articles that had appeared in *L'Atelier*.

We are the agents of England, they say, because some of us employ the words “meeting” and “free trader”!

And do they not make use of the words “drawback” and “budget”?

We, it would seem, imitate Cobden and the English democracy!

And do they not parody Lord George Bentinck and the British aristocracy?

We borrow from perfidious Albion the doctrine of liberty!

And do they not borrow from the same source the quibbles of protection?

We follow the lead of Bordeaux and the south!

And do they not avail themselves of the cupidity of Lille and the north?

We favor the secret designs of the ministry, whose object is to divert public attention from their real policy!

And do they not act in the interest of the civil list, which profits most of all from the policy of protection?

You see, then, very clearly, that if we did not despise this war of disparagement, arms would not be wanting to carry it on.

But this is beside the question.

The question, and we must never lose sight of it, is this:

Whether it is better for the working classes to be free, or not to be free to purchase foreign commodities?

Workmen! They tell you that: “If you are free to purchase from the foreigner those things that you now produce yourselves, you will cease to produce them; you will be without employment, without wages, and without bread. It is therefore for your own good to restrain your liberty.”

This objection recurs in every form: They say, for example, “If we clothe ourselves with English cloth; if we make our ploughs of English iron; if we cut our bread with English knives; if we wipe our hands with English towels—what will become of French workmen, what will become of national labor?”

Tell me, workmen! If a man should stand on the quay at Boulogne and say to every Englishman who landed, “If you will give

me those English boots, I will give you this French hat"; or, "If you will give me that English horse I will give you this French tilbury"; or ask him, "Will you exchange that machine made at Birmingham for this clock made at Paris?"; or, again, "Can you arrange to barter this Newcastle coal against this champagne wine?" Tell me whether, assuming this man to make his proposals with discernment, anyone would be justified in saying that our national labor, taken in the aggregate, would suffer in consequence?

Would it make the slightest difference in this respect were twenty such offers to be made in place of one, or a million such barters to be effected in place of four, or were merchants and money to intervene, whereby such transactions would be greatly facilitated and multiplied?

Now, when one country buys from another wholesale to sell again in retail, or buys in retail to sell again in bulk, if we trace the transaction to its ultimate results we shall always find that commerce resolves itself into barter, products for products, services for services. If, then, barter does no injury to national labor, since it implies as much national labor given as foreign labor received, it follows that a hundred thousand millions of such acts of barter would do as little injury as one. But where would be the profit? you will ask. The profit consists in turning to most account the resources of each country, so that the same amount of labor shall yield everywhere more satisfaction and well-being.

There are some who in your case have recourse to a singular system of tactics. They begin by admitting the superiority of the free to the prohibitive system, in order, doubtless, not to have the battle to fight on this ground.

Then they remark that the transition from one system to another is always attended with some displacement of labor.

Last, they enlarge on the sufferings, which, in their opinion, such displacements must always entail. They exaggerate these sufferings, they multiply them, they make them the principal subject of discussion, they present them as the exclusive and definite

result of reform, and in this way they endeavor to enlist you under the banners of monopoly.

This is just the system of tactics that has been employed to defend every system of abuse; and one thing I must plainly avow that it is this system of tactics that constantly embarrasses those who advocate reforms, even those most useful to the people. You will soon see the reason of this.

When an abuse has once taken root everything is arranged on the assumption of its continuance. Some men depend upon it for subsistence, others depend upon them, and so on, till a formidable edifice is erected.

Would you venture to pull it down? All cry out, and—remark this well—the men who bawl out appear always at first sight to be in the right, because it is far easier to show the derangements that must accompany a reform than the arrangements that must follow it.

The supporters of abuses cite particular instances of sufferings; they point out particular employers who, with their workmen and the people who supply them with materials, are about to be injured; and the poor reformer can only refer to the general good that must gradually diffuse itself over the masses. That by no means produces the same effect.

Thus, when the question turns on the abolition of slavery, “Poor men!” they say to the negroes, “who is henceforth to support you? The manager handles the lash, but he likewise distributes the cassava.”

And the slave regrets his chain, for he asks, “Whence will come the cassava?”

He fails to see that it is not the manager who feeds him, but his own labor that feeds both him and the manager.

When they set about reforming the convents in Spain, they asked the beggars: “Where will you now find food and clothing? The prior is your best friend. Is it not very convenient to be in a situation to address yourself to him?”

And the mendicants replied: “True; if the prior goes away we see very clearly that we shall be losers, and we do not see at all so clearly who is to come in his place.”

They did not take into account that, if the convents bestowed alms, they lived upon them; so that the nation had more to give away than to receive.

In the same way, workmen! monopoly, quite imperceptibly, saddles you with taxes, and then, with the produce of these taxes, finds you employment.

And your sham friends exclaim: “But for monopolies where would you find employment?”

And you, like the Spanish beggars, reply: “True, true; the employment the monopolists find us is certain. The promises of liberty are of uncertain fulfillment.”

For you do not see that they take from you in the first instance the money with part of which they afterwards afford you employment.

You ask: Who is to find you employment? and the answer is that you will give employment to one another! With the money of which he is no longer deprived by taxation the shoemaker will dress better, and give employment to the tailor. The tailor will more frequently renew his foot-gear, and afford employment to the shoemaker; and the same thing will take place in all other departments of trade.

It has been said that under a system of free trade we should have fewer workmen in our mines and spinning mills.

I do not think so. But if this happened, we should necessarily have a greater number of people working freely and independently, either in their own houses or at outdoor employment. For if our mines and spinning mills are not capable of supporting themselves, as is asserted, without the aid of taxes levied from the public at large, the moment these taxes are repealed everybody will be by so much in better circumstances; and it is this improvement in the general circumstances of the community that lends support to individual branches of industry.

Pardon my dwelling a little longer on this view of the subject; for my great anxiety is to see you all ranged on the side of liberty.

Suppose that the capital employed in manufactures yields 5 percent profit. But Mondor has an establishment in which he employs £100,000, at a loss, instead of a profit, of 5 percent. Between the loss and the gain supposed, there is a difference of £10,000. What takes place? A small tax of £10,000 is coolly levied from the public, and handed over to Mondor. You don't see it, for the thing is skillfully disguised. It is not the taxgatherer who waits upon you to demand your share of this burden; but you pay it to Mondor, the ironmaster, every time that you purchase your trowels, hatchets, and planes. Then they tell you that unless you pay this tax, Mondor will not be able to give employment; and his workmen, James and John, must go without work. And yet, if they gave up the tax, it would enable you to find employment for one another, independently of Mondor.

And then, you may be sure, after this smooth pillow of protection has been taken away, Mondor will set his wits to work to convert his loss into a profit, and James and John will not be sent away, in which case there will be profit for everybody.

You may still rejoin, "We allow that, after the reform, there will be more employment upon the whole than before; in the meantime, James and John are starving."

To which I reply:

First—That when labor is only displaced, to be augmented, a man who has a head and hands is seldom left long in a state of destitution.

Second—There is nothing to hinder the State's reserving a fund to meet, during the transition, any temporary want of employment, in which, however, for my own part, I do not believe.

Third—If I do not misunderstand the workmen, they are quite prepared to encounter any temporary suffering necessarily attendant on a transfer of labor from one department to another, by which the community are more likely to be benefited and have justice done them. I only wish I could say the same thing of their employers!

What! Will it be said that because you are workmen you are for that reason unintelligent and immoral? Your pretended friends seem to think so. Is it not surprising that in your hearing they should discuss such a question, talking exclusively of wages and profits without ever once allowing the word justice to pass their lips? And yet they know that restriction is unjust. Why have they not the courage to admit it, and say to you, "Workmen! An iniquity prevails in this country, but it is profitable to you, and we must maintain it." Why? Because they know you would answer, No.

But it is not true that this injustice is profitable to you. Give me your attention for a few moments longer, and then judge for yourselves.

What is it that we protect in France? Things that are produced on a great scale by rich capitalists and in large establishments, as iron, coal, cloth, and textile fabrics; and they tell you that this is done not in the interest of employers, but in yours, and in order to secure you employment.

And yet whenever foreign labor presents itself in our markets, in such a shape that it may be injurious to you but advantageous for your employers, it is allowed to enter without any restriction being imposed.

Are there not in Paris 30,000 Germans who make clothes and shoes? Why are they permitted to establish themselves alongside you while the importation of cloth is restricted? Because cloth is manufactured in grand establishments that belong to manufacturing legislators. But clothes are made by workmen in their own houses. In converting wool into cloth, these gentlemen desire to have no competition, because that is their trade; but in converting cloth into coats, they allow it, because that is your trade.

In making our railways, an embargo was laid on English rails, but English workmen were brought over. Why was this? Simply because English rails came into competition with the iron produced in our great establishments, while the English laborers were only your rivals.



We have no wish that German tailors and English navies should be kept out of France. What we ask is, that the entry of cloth and rails should be left free. We simply demand justice and equality before the law, for all.

It is a mockery to tell us that customs restrictions are imposed for your benefit. Tailors, shoemakers, carpenters, masons, blacksmiths, shopkeepers, grocers, watchmakers, butchers, bakers, dressmakers! I defy you all to point out a single way in which restriction is profitable to you, and I shall point out, whenever you desire it, four ways in which it is hurtful to you.

And, after all, see how little foundation your journalists have for attributing self-abnegation to the monopolists.

I may venture to denominate the rate of wages that settles and establishes itself naturally under a system of freedom, the natural rate of wages. When you affirm, therefore, that restriction is profitable to you, it is tantamount to affirming that it adds a premium to your natural wages. Now, a surplus of wages beyond the natural rate must come from some quarter or other; it does not fall from the skies, but comes from those who pay it.

You are landed, then, in this conclusion by your pretended friends, that the policy of protection has been introduced in order that the interests of capitalists should be sacrificed to those of the workmen.

Do you think this probable?

Where is your place, then, in the Chamber of Peers? When did you take your seat in the Palais Bourbon? Who has consulted you? Whence did this idea of establishing a policy of protection come to you?

I think I hear you answer, "It is not we who have established it. Alas! We are neither Peers, nor Deputies, nor Councillors of State. The capitalists have done it all."

Verily, they must have been in a good humour that day! What! these capitalists have made the law; they have established a policy of prohibition for the express purpose of enabling you to profit at their expense!

But here is something stranger still.

How does it come to pass that your pretended friends, who hold forth to you on the goodness, the generosity, and the self-abnegation of capitalists, never cease sympathizing with you on your being deprived of your political rights? From their point of view, I would ask what you could make of such rights if you had them? The capitalists have a monopoly of legislation—granted. By means of this monopoly, they have adjudged themselves a monopoly of iron, of cloth, of textile fabrics, of coal, of wood, of meat—granted likewise. But here are your pretended friends, who tell you that in acting thus, capitalists have impoverished themselves, without being under any obligation to do so, in order to enrich you who have no right to be enriched! Assuredly, if you were electors and deputies tomorrow, you could not manage your affairs better than they are managed for you; you could not even manage them so well.

If the industrial legislation under which you live is intended for your profit, it is an act of perfidy to demand for your political rights; for these new-fashioned democrats never can escape this dilemma—the law made by the middle classes either gives you more, or it gives you less, than your natural wages. If that law gives you less, they deceive you, in soliciting you to maintain it. If it gives you more, they still deceive you, by inviting you to demand political rights at the very time when they are making sacrifices for you, which, in common honesty, you could not by your votes exact, even if you had the power.

Workmen! I should be sorry indeed if this address should excite in your minds feelings of irritation against the rich. If self-interest, badly understood, or too apt to be alarmed, still maintains monopoly, let us not forget that monopoly has its root in errors that are common to both capitalists and workmen; instead of exciting the one class against the other, let us try to bring them together. And for that end what ought we to do? If it be true that the natural social tendencies concur in levelling inequalities among men, we have only to allow these tendencies to act, remove

artificial obstructions that retard their operation, and allow the relations of the various classes of society to be established on the principle of JUSTICE, which, in my mind at least, is identical with the principle of LIBERTY.

# 7

## A CHINESE STORY

**T**here is nothing that is not pretended by the writers in favor of Protection to be established as an aid to the working classes—there is positively no exception, not even the custom house. You fancy, perhaps, that the custom house is merely an instrument of taxation like property taxes or the toll-bar! Nothing of the kind. It is essentially an institution for promoting the march of civilization, fraternity, and equality. What would you be at? It is the fashion to introduce, or affect to introduce, sentiment and sentimentalism everywhere, even into the toll-gatherer's booth.

The custom house, we must allow, has a very singular machinery for realizing philanthropical aspirations.

It includes an army of directors, subdirectors, inspectors, subinspectors, comptrollers, examiners, heads of departments, clerks, supernumeraries, aspirant-supernumeraries, not to speak of the officers of the active service; and the object of all this complicated machinery is to exercise over the industry of the people a negative action, which is summed up in the word "obstruct."

Observe, I do not say that the object is to tax, but to obstruct. To prevent, not acts that are repugnant to good morals or public order, but transactions that are in themselves not only harmless but fitted to maintain peace and union among nations.

And yet the human race is so flexible and elastic that it always surmounts these obstructions. And then we hear of the labor market being glutted.

If you hinder a people from obtaining its subsistence from abroad it will produce it at home. The labor is greater and more painful, but subsistence must be had. If you hinder a man from traversing the valley he must cross the hills. The road is longer and more difficult, but he must get to his journey's end.

This is lamentable, but we come now to what is ludicrous. When the law has thus created obstacles, and when in order to overcome them society has diverted a corresponding amount of labor from other employments, you are no longer permitted to demand a reform. If you point to the obstacle you are told of the amount of labor to which it has given employment. And if you rejoin that this labor is not created, but displaced, you are answered in the words of the *Esprit Public*, "The impoverishment alone is certain and immediate; as to our enrichment, it is more than problematical."

This reminds me of a Chinese story, which I will relate to you.

There were in China two large towns, called Tchin and Tchan. A magnificent canal united them. The Emperor thought fit to order enormous blocks of stone to be thrown into it for the purpose of rendering it useless.

On seeing this, Kouang, his first mandarin, said to him, "Son of Heaven! This is a mistake."

To which the Emperor replied, "Kouang, you talk nonsense."

I give you only the substance of their conversation.

At the end of three months the Celestial Emperor sent again for the mandarin, and said to him,

"Kouang, behold!"

And Kouang opened his eyes, and looked.

And he saw at some distance from the canal a multitude of men at work. Some were excavating, others were filling up hollows, levelling and paving. And the mandarin, who was very cultivated, said to himself: They are making a highway.

When other three months had elapsed the Emperor again sent for Kouang, and said to him,

“Look!”

And Kouang looked.

And he saw the road completed, and from one end of it to the other he saw here and there inns for travellers erected. Crowds of pedestrians, carts, litters, came and went, and innumerable Chinese, overcome with fatigue, carried back and forth heavy burdens from Tchin to Tchan, and from Tchan to Tchin. And Kouang said to himself: It is the destruction of the canal that gives employment to these poor people. But the idea never struck him that their labor was simply diverted from other employments.

Three months more passed, and the Emperor said to Kouang, “Look!”

And Kouang looked. And he saw that the hostelries were full of travellers, and that to supply their wants there were grouped around them butchers' and bakers' stalls, shops for the sale of edible birds' nests. He also saw that, the artisans having need of clothing, there had settled among them tailors, shoemakers, and those who sold parasols and fans; and as they could not sleep in the open air, even in the Celestial Empire, there were also masons, carpenters, and slaters. Then there were officers of police, judges, fakirs; in a word, a town with its suburbs had risen round each hostelry.

And the Emperor asked Kouang what he thought of all this.

And Kouang said that he never could have imagined that the destruction of a canal could have provided employment for so many people; for the thought never struck him that this was not employment created but labor diverted from other employments, and that men would have eaten and drunk in passing along the canal as well as in passing along the highroad.

However, to the astonishment of the Chinese, the Son of Heaven at length died and was buried.

His successor sent for Kouang, and ordered him to have the canal cleared out and restored.

And Kouang said to the new Emperor,  
“Son of Heaven! You commit a blunder.”

And the Emperor replied,  
“Kouang, you talk nonsense.”

But Kouang persisted, and said: “Sire, what is your object?”

“My object is to facilitate the transit of goods and passengers between Tchín and Tchan, to render carriage less expensive, in order that the people may have tea and clothing cheaper.”

But Kouang was ready with his answer. He had received the night before several numbers of the *Moniteur Industriel*, a Chinese newspaper. Knowing his lesson well, he asked and obtained permission to reply, and after having prostrated himself nine times, he said,

“Sire, your object is, by increased facility of transit, to reduce the price of articles of consumption, and bring them within reach of the people; and to effect that you begin by taking away from them all the employment to which the destruction of the canal had given rise. Sire, in political economy, nominal cheapness. . . .”

The Emperor: “I believe you are repeating by rote.”

Kouang: “True, Sire; and it will be better to read what I have to say.” So, producing the *Esprit Public*, he read as follows: “In political economy, the nominal cheapness of articles of consumption is only a secondary question. The problem is to establish an equilibrium between the price of labor and that of the means of subsistence. The abundance of labor constitutes the wealth of nations; and the best economic system is that which supplies the people with the greatest amount of employment. The question is not whether it is better to pay four or eight cash for a cup of tea, or five or ten taels (Chinese money) for a shirt. These are puerilities unworthy of a thinking mind. Nobody disputes your proposition. The question is whether it is better to pay dearer for a commodity you want to buy, and have, through the abundance of

employment and the higher price of labor, the means of acquiring it; or whether it is better to limit the sources of employment, and with them the mass of the national population, in order to transport, by improved means of transit, the objects of consumption, cheaper, it is true, but taking away at the same time from many of our people the means of purchasing these objects even at their reduced price.

Seeing the Emperor still unconvinced, Kouang added: “Sire, deign to give me your attention. I have still the *Moniteur Industriel* to bring under your notice.”

But the Emperor said,

“I don’t require your Chinese journals to enable me to find out that to create obstacles is to divert and misapply labor. But that is not my mission. Go and clear out the canal; and we shall reform the custom house afterwards.”

And Kouang went away tearing his beard, and appealing to his God, “O Fo! Take pity on thy people; for we have now got an Emperor of the English school, and I see clearly that in a short time we shall be in want of everything, for we shall no longer require to do anything.”





## 8

### POST HOC, ERGO PROPTER HOC

**T**his is the greatest and most common fallacy in reasoning.

Real sufferings, for example have manifested themselves in England.<sup>1</sup>

These sufferings come in the train of two other phenomena:

First, The reformed tariff;

Second, Two bad harvests in succession.

To which of these two last circumstances are we to attribute the first?

The protectionists exclaim:

It is this accursed free trade that does all the harm. It promised us wonderful things; we accepted it; and here are our manufacturers at a standstill, and the people suffering: *Cum hoc, ergo propter hoc*.

Free trade distributes in the most uniform and equitable manner the fruits that Providence accords to human labor. If we are

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<sup>1</sup>This was written in December 1846.—French editor.

deprived of part of these fruits by natural causes, such as a succession of bad seasons, free trade does not fail to distribute in the same manner what remains. Men are, no doubt, not so well provided with what they want; but are we to impute this to free trade, or on the bad harvests?

Liberty acts on the same principle as insurance. When an accident, like a fire, happens, insurance spreads over a great number of men and a great number of years, losses that, in the absence of insurance, would have fallen all at once upon one individual. But will anyone undertake to affirm that fire has become a greater evil since the introduction of insurance?

In 1842, 1843, and 1844, the reduction of taxes began in England. At the same time the harvests were very abundant; and we are led to conclude that these two circumstances concurred in producing the unparalleled prosperity which England enjoyed during that period.

In 1845 the harvest was bad, and in 1846 worse still.

Provisions rose in price; and the people were forced to expend their resources on necessaries, and to limit their consumption of other commodities. Clothing was less in demand, manufactories had less work, and wages tended to fall.

Fortunately, in that same year, the barriers of restriction were still more effectually removed, and an enormous quantity of provisions reached the English market. Had this not been so, it is nearly certain that a formidable revolution would have taken place.

And yet free trade is blamed for disasters that it tended to prevent, and in part, at least, to repair!

A poor leper lived in solitude. Whatever he happened to touch, no one else would touch. Obligated to pine in solitude, he led a miserable existence. An eminent physician cured him, and now our poor hermit was admitted to all the benefits of free trade, and had full liberty to effect exchanges. What brilliant prospects were opened to him! He delighted in calculating the advantages that, through his restored intercourse with his fellow-men, he was able to derive from his own vigorous exertions. He

happened to break both his arms, and was landed in poverty and misery. The journalists who were witnesses of that misery said, "See to what this liberty of making exchanges has reduced him! Verily, he was less to be pitied when he lived alone." "What!" said the physician, "do you make no allowance for his broken arms? Has that accident nothing to do with his present unhappy state? His misfortune arises from his having lost the use of his hands, and not from his having been cured of his leprosy. He would have been a fitter subject for your compassion had he been lame and leprous into the bargain."

*Post hoc, ergo propter hoc.* Beware of that fallacy.



## 9

THE PREMIUM THEFT—  
ROBBERY BY SUBSIDY

**T**his little book of FALLACIES is found to be too theoretical, scientific, and metaphysical. Be it so. Let us try the effect of a more trivial and hackneyed, and, if necessary, a ruder style. Convinced that the public is duped in this matter of protection, I have endeavored to prove it. But if outcry is preferred to argument, let us vociferate,

“King Midas has a snout, and asses’ ears.”<sup>1</sup>

A burst of plain speaking has more effect frequently than the most polished circumlocution. You remember Oronte, and the difficulty that the Misanthrope had in convincing him of his folly.<sup>2</sup>

Alceste.    *On s'expose a jouer un mauvais personnage.*  
Oronte.    *Est-ce que vous voulez me declarer par la*  
              *Que j'ai tort de vouloir. . . .*

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<sup>1</sup>“Auriculas asini Mida rex habet.”—Persius, sat. i. The line as given in the text is from Dryden’s translation.—Translator.

<sup>2</sup>See Moliere’s play of *The Misanthrope*.

Alceste. *Je ne dis pas cela. Mais. . . .*  
 Oronte. *Est-ce que j'ecris mal?*  
 Alceste. *Je ne dis pas cela. Mais enfin. . . .*  
 Oronte. *Mais ne puis-je savoir ce que dans mon sonnet?*  
 Alceste. *Franchement, il est bon a mettre au Cabinet.*

To speak plainly, Good Public! you are robbed. This is speaking bluntly, but the thing is very evident. It is crude, but clear.

The words theft, to steal, robbery, thief, may appear ugly words to many people. I ask such people, as Harpagon asks Elise,<sup>3</sup> “Is it the word or the thing that frightens you?”

“Whoever has possessed himself fraudulently of a thing that does not belong to him is guilty of theft.”<sup>4</sup>

To steal: To take by stealth or by force.<sup>5</sup>

Thief: He who exacts more than is due to him.<sup>6</sup>

Now, does not the monopolist, who, by a law of his own making, obliges me to pay him 20 francs for what I could get elsewhere for 15, take from me fraudulently 5 francs that belonged to me?

Does he not take them by stealth or by force?

Does he not exact more than is due to him?

He takes, purloins, exacts, it may be said; but not by stealth or by force, which are the characteristics of theft.

When our bulletins de contributions have included in them 5 francs for the premium that the monopolist takes, exacts, or abstracts, what can be more stealthy for the unsuspecting? And for those who are not dupes, and who do suspect, what savors more of force, seeing that on the first refusal the taxgatherer's bailiff is at the door?

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<sup>3</sup>See Moliere's play of *L'Avare*.

<sup>4</sup>*C. Pen.*, art. 379.

<sup>5</sup>*Dictionnaire de l'Academie*.

<sup>6</sup>*Ibid.*

But let monopolists take courage. Premium thefts, tariff thefts, if they violate equity as much as theft *a l’Americaine*, do not violate the law; on the contrary, they are perpetrated according to law and if they are worse than common thefts, they do not come under the cognizance of the magistrate.

Besides, willingly or unwillingly, we are all robbed or robbers in this business. The author of this volume might very well cry “Stop, thief!” when he buys; and with equal reason he might have that cry addressed to him when he sells;<sup>7</sup> and if he is in a situation different from that of many of his countrymen, the difference consists in this, that he knows that he loses more than he gains by the game, and they don’t know it. If they knew it, the game would soon be given up.

Nor do I boast of being the first to give the thing its right name. Adam Smith said, sixty years ago, that “when manufacturers hold meetings, we may be sure a plot is hatching against the pockets of the public.” Can we be surprised at this, when the public says nothing?

Well, then, suppose a meeting of manufacturers deliberating formally, under the title of general councils. What takes place, and what is resolved upon?

Here is a very abridged report of one of their meetings:

“SHIPOWNER: Our shipping is at the lowest ebb. That is not to be wondered at. I cannot construct ships without iron. I can buy it in the market of the world at 10 francs; but by law the French ironmaster forces me to pay him 15 francs, which takes 5 francs out of my pocket. I demand liberty to purchase iron wherever I see proper.

“IRONMASTER: In the market of the world I find freights at 20 francs. By law I am obliged to pay the French shipowner 30;

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<sup>7</sup>Possessing some landed property, on which he lives, he belongs to the protected class. This circumstance should disarm criticism. It shows that if he uses hard words, they are directed against the thing itself, and not against men’s intentions or motives.



he takes 10 francs out of my pocket. He robs me, and I rob him; all quite right.

“STATESMAN: The shipowner has arrived at an unwise conclusion. Let us cultivate the union that constitutes our strength. If we give up a single point of the theory of protection, the whole theory falls to the ground.

“SHIPOWNER: For us shipowners protection has been a failure. I repeat that shipping is at its lowest ebb.

“SHIPMASTER: Well, let us raise the surtax, and let the shipowner who now exacts 30 francs from the public for his freight charge 40.

“A MINISTER: The government will make all the use they can of the beautiful mechanism of the surtax; but I fear that will not be sufficient.

“A GOVERNMENT FUNCTIONARY: You are all very easily frightened. Does the tariff alone protect you? and do you lay taxation out of account? If the consumer is kind and benevolent, the taxpayer is not less so. Let us heap taxes upon him, and let the shipowner be satisfied. I propose a premium of 5 francs to be levied from the public taxpayers, to be handed over to the shipbuilder for each cwt. of iron he shall employ.

“Confused voices: Agreed! Agreed! An agriculturist: Three francs premium upon each hectolitre of wheat for me! A manufacturer: Two francs premium on each yard of cloth for me! etc., etc.

“THE PRESIDENT: This then is what we have agreed upon. Our session has instituted a system of premiums, and it will be its eternal honor. What branch of industry can possibly henceforth be a loser, since we have two means, and both so very simple, of converting our losses into gains—the tariff and the premium? The sitting is adjourned.”

I really think some supernatural vision must have foreshadowed to me in a dream the near approach of the premium (who knows but I may have first suggested the idea to Mr. Dupin?) when six months ago I wrote these words:

“It appears evident to me that protection, without changing its nature or the effects it produces, might take the form of a

direct tax, levied by the state, and distributed in premiums of indemnification among privileged branches of industry.”

And after comparing a protective duty to a premium, I added:

“I confess candidly my preference for the last system. It seems to me juster, more economical, and more fair. Juster, because if society desires to make presents to some of its members, all ought to bear the expense; more economical, because it would save a great deal in the cost of collection, and do away with many of the trammels with which trade is hampered; more fair, because the public would see clearly the nature of the operation, and act accordingly.”

Since the occasion presents itself to us so opportunely, let us study this system of plunder by premium; for all we say of it applies equally to the system of plunder by tariff; and as the latter is a little better concealed, the direct may help us to detect and expose the indirect system of cheating. The mind will thus be led from what is simple to what is more complicated.

But it may be asked: Is there not a species of theft which is more simple still? Undoubtedly; there is highway robbery, which lacks only to be legalized, and made a monopoly of, or, in the language of the present day, organized.

I have been reading what follows in a book of travels:

“When we reached the kingdom of A., all branches of industry declared themselves in a state of suffering. Agriculture groaned, manufactures complained, trade murmured, the shipping interest grumbled, and the government was at a loss what to do. First of all, the idea was to lay a pretty smart tax on all the malcontents, and afterwards to divide the proceeds among them after retaining its own quota; this would have been on the principle of the Spanish lottery. There are a thousand of you, and the State takes a piastre from each; then by sleight of hand it conveys away 250 piastres, and divides the remaining 750 in larger and smaller proportions among the ticketholders. The gallant Hidalgo who gets three-fourths of a piastre, forgetting that he had contributed a whole piastre, cannot conceal his delight, and rushes off to spend his fifteen reals at the alehouse. This is very much the

same thing as we see taking place in France. But the government had overrated the stupidity of the population when it endeavored to make them accept such a species of protection, and at length it lighted upon the following expedient.

“The country was covered with a network of highways. The government had these roads accurately measured; and then it announced to the agriculturist: ‘All that you can steal from travellers between these two points is yours; let that serve as a premium for your protection and encouragement.’ Afterward it assigned to each manufacturer, to each shipowner, a certain portion of road, to be made available for their profit, according to this formula:

*Dono tibi et concedo  
Virtutem et puissantiam  
Volandi,  
Pillandi,  
Derobandi,  
Filoutandi,  
Et escroquandi,  
Impune per totam istam  
Viam.”*

Now it has come to pass that the natives of the kingdom of A. have become so habituated to this system, that they take into account only what they are enabled to steal, not what is stolen from them, being so determined to regard pillage only from the standpoint of the thief that they look upon the sum total of individual thefts as a national gain, and refuse to abandon a system of protection, without which they say no branch of industry could support itself.

You demur to this. It is not possible, you exclaim, that a whole people should be led to ascribe an increase of wealth to mutual robbery.

And why not? We see that this conviction pervades France, and that we are constantly organizing and improving the system of reciprocal robbery under the respectable names of premiums and protective tariffs.

We must not, however, be guilty of exaggeration. As regards the mode of levying, and other collateral circumstances, the system adopted in the kingdom of A. may be worse than ours; but we must at the same time admit that, as regards the principle and its necessary consequences, there is not an atom of difference between all these species of theft, which are organized by law for the purpose of supplementing the profits of particular branches of industry.

Note also, that if highway robbery presents some inconveniences in its actual perpetration, it has likewise some advantages which we do not find in robbery by tariff.

For example, it is possible to make an equitable division among all the producers. It is not so in the case of customs duties. The latter are incapable of protecting certain classes of society, such as artisans, shopkeepers, men of letters, lawyers, soldiers, laborers, etc.

It is true that the robbery by premium assumes an infinite number of shapes, and in this respect is not inferior to highway robbery; but, on the other hand, it leads frequently to results so arbitrary and awkward that the natives of the kingdom of A. may well laugh at us.

What the victim of a highway robbery loses the thief gains, and the articles stolen remain in the country. But under the system of robbery by premium, what the tax exacts from the Frenchman is conferred frequently on the Chinese, on the Hottentots, on the Caffres, etc., and here is the way in which this takes place:

A piece of cloth, we will suppose, is worth 100 francs at Bordeaux. It cannot be sold below that price without a loss. It is impossible to sell it above that price because the competition of merchants prevents the price rising. In these circumstances, if a Frenchman desires to have the cloth, he must pay 100 francs, or do without it. But if it is an Englishman who wants the cloth, the government steps in, and says to the merchant, "Sell your cloth, and we will get you 20 francs from the taxpayers." The merchant who could not get more than 100 francs for his cloth, sells it to the Englishman for 80. This sum, added to the 20 francs produced by

the premium theft, makes all square. This is exactly the same case as if the taxpayers had given 20 francs to the Englishman, upon condition of his buying French cloth at 20 francs discount, at 20 francs below the cost of production, at 20 francs below what it has cost ourselves. The robbery by premium, then, has this peculiarity, that the people robbed are resident in the country that tolerates it, while the people who profit by the robbery are scattered over the world.

Verily, it is marvellous that people should persist in maintaining that all that an individual steals from the masses is a general gain. Perpetual motion, the philosopher's stone, the quadrature of the circle, are obsolete myths long abandoned; but the theory of progress by plunder is still held in honor. A priori, we should have thought that, of all imaginable puerilities, it was the least likely to survive.

Some people will say, You are partisans, then, of the *laissez-faire* economists of the school of Smith and Say? You do not desire the organization of labor. Yes, gentlemen, organize labor as much as you choose, but have the goodness not to organize theft.

Another, and a more numerous, set keep repeating, premiums, tariffs, all that has been exaggerated. We should use them without abusing them. A judicious liberty, combined with a moderate protection, that is what discreet and practical men desire. Let us steer clear of fixed principles.

This is precisely what the traveller tells us takes place in the kingdom of A. "Highway robbery," say the sages, "is neither good nor bad in itself; that depends upon circumstances. All we are concerned with is to weigh things, and see our functionaries well paid for the work of weighing. It may be that we have given too great latitude to pillage; perhaps we have not given enough. Let us examine and balance the accounts of each man employed in the work of pillage. To those who do not earn enough, let us assign a larger portion of the road. To those who gain too much, we must limit the hours, days or months of pillage."

Those who talk in this way gain a great reputation for moderation, prudence, and good sense. They never fail to attain to the highest offices in the state.

Those who say: Repress all injustice, whether on a greater or a smaller scale, suffer no dishonesty, to however small an extent, are marked down for ideologues, idle dreamers, who keep repeating over and over again the same thing. The people, moreover, find their arguments too clear, and why should they be expected to believe what is so easily understood?



# 10

## THE TAX GATHERER

**J**ACQUES BONHOMME, a Vintner.  
Mr. LASOUCHE, Tax gatherer.

L.: You have secured twenty tuns of wine?

J.: Yes, by dint of my own skill and labor.

L.: Have the goodness to deliver up to me six of the best.

J.: Six tuns out of twenty! Good Heaven! you are going to ruin me. And please, Sir, for what purpose do you intend them?

L.: The first will be handed over to the creditors of the State. When people have debts, the least thing they can do is to pay interest upon them.

J.: And what has become of the capital?

L.: That is too long a story to tell you at present. One part was converted into cartridges, which emitted the most beautiful smoke in the world. Another went to pay the men who had got crippled in foreign countries after having laid them waste. Then, when this expenditure brought invasion upon us, our gracious enemy was unwilling to take leave of us without carrying away some money, and this money had to be borrowed.

J.: And what benefit do I derive from this now?



L.: The satisfaction of saying—

*Que je suis fier d'être François*

*Quand je regarde la colonne!*

J.: And the humiliation of leaving to my heirs an estate burdened with a perpetual rent-charge. Still, it is necessary to pay one's debts, whatever foolish use is made of the proceeds. So much for the disposal of one tun; but what about the five others?

L.: One goes to support the public service, the civil list, the judges who protect your property when your neighbor wishes wrongfully to appropriate it, the policemen who protect you from robbers when you are asleep, the roadmen who maintain the highways, the curé who baptizes your children, the schoolmaster who educates them, and, lastly, your humble servant, who cannot be expected to work exactly for nothing.

J.: All right; service for service is quite fair, and I have nothing to say against it. I should like quite as well, no doubt, to deal directly with the rector and the schoolmaster on my own account; but I don't stand upon that. This accounts for the second tun—but we have still other four to account for.

L.: Would you consider two tuns as more than your fair contribution to the expense of the army and navy?

J.: Alas! that is a small affair, compared with what the two services have cost me already, for they have deprived me of two sons whom I dearly loved.

L.: It is necessary to maintain the balance of power.

J.: And would that balance not be quite as well maintained if the European powers were to reduce their forces by one-half or three-fourths? We should preserve our children and our money. All that is requisite is to come to a common understanding.

L.: Yes; but they don't understand one another.

J.: It is that which fills me with astonishment, for they suffer from it in common.

L.: It is partly your own doing, Jacques Bonhomme.

J.: You are joking, Mr. Taxgatherer. Have I any voice in the matter?

L.: Whom did you vote for as deputy?

J.: A brave general officer, who will soon be a marshal, if God spares him.

L.: And upon what does the gallant general live?

J.: Upon my six tuns, I should think.

L.: What would happen to him if he voted a reduction of the army, and of your contingent?

J.: Instead of being made a marshal he would be forced to retire.

L.: Do you understand now that you have yourself?

J.: Let us pass on to the fifth tun, if you please.

L.: That goes to Algeria.

L.: To Algeria! And yet they tell us that all the Muslims are wine-haters, barbarians as they are! I have often inquired whether it is their ignorance of claret which has made them infidels, or their infidelity which has made them ignorant of claret. And then, what service do they render me in return for this nectar that has cost me so much toil?

L.: None at all; nor is the wine destined for the Muslim, but for good Christians who spend their lives in Barbary.

J.: And what service do they render me?

L.: They make raids, and suffer from them in their turn; they kill and are killed; they are seized with dysentery and sent to the hospital; they make harbors and roads, build villages, and people them with Maltese, Italians, Spaniards, and Swiss, who live upon your wine; for another supply of which, I can tell you, I shall soon come back to you.

J.: Good gracious! that is too much. I give you a flat refusal. A vintner who could be guilty of such folly would be sent to Bedlam. To make roads through Mount Atlas—good Heavens! when I can scarcely leave my house for want of roads! To create harbors in Barbary, when the Garonne is silted up! To carry off my children whom I love, and send them to torment the Kabyles! To make me pay for houses, seed, and horses, to be handed over to Greeks and Maltese, when we have so many poor people to provide for at home!

L.: The poor! Just so; they rid the country of the redundant population.

J.: And we are to send after them to Algeria the capital on which they could live at home!

L.: But then you are laying the foundations of a great empire, you carry civilization into Africa, thus crowning your country with immortal glory.

J.: You are a poet, Mr. Taxgatherer. I am a plain vintner, and I refuse your demand.

L.: But think that in the course of some thousands of years your present advances will be recouped and repaid a hundredfold. The men who direct the enterprise assure us that it will be so.

J.: In the meantime, in order to defray the expense, they asked me first of all for one cask of wine, then for two, then for three, and now I am taxed by the tun! I persist in my refusal.

L.: Your refusal comes too late. Your representative has stipulated for the whole quantity I demand.

J.: Too true. Cursed weakness on my part! Surely, in making him my representative I was guilty of a piece of folly; for what is there in common between a general officer and a poor vintner?

L.: Oh, yes; there is something in common—namely, your wine which he has voted to himself in your name.

J.: You may well laugh at me, Mr. Taxgatherer, for I richly deserve it. But be reasonable. Leave me at least the sixth tun. You have already secured payment of the interest of the debt, and provided for the civil list and the public service, besides perpetuating the war in Africa. What more would you have?

L.: It is needless to higgler with me. Communicate your views to the General, your representative. For the present he has voted away your vintage.

J.: Confound the fellow! But tell me what you intend to make of this last cask, the best of my whole stock? Stay, taste this wine. How ripe, mellow and full-bodied it is!

L.: Excellent! delicious! It will suit Mr. D., the cloth manufacturer, admirably.

J.: Mr. D., the cloth manufacturer? What do you mean?

L.: That he will reap the benefit.

J.: How? What? I'll be hanged if I understand you!

L.: Don't you know that Mr. D. has set in motion a grand undertaking that will prove most useful to the country, but which, when everything is taken into account, causes each year a considerable pecuniary loss?

J.: I am sorry to hear it, but what can I do?

L.: The Chamber has come to the conclusion that, if this state of things continues, Mr. D. will be under the necessity of either working more profitably, or of shutting up his manufacturing establishment altogether.

J.: But what have these losing speculations of Mr. D. to do with my wine?

L.: The Chamber has found out that, by making over to Mr. D. some wine taken from your cellar, some wheat taken from your neighbor's granaries, some money taken from the workmen's wages, the losses of D. may be converted into profits.

J.: The recipe is as infallible as it is ingenious. But, zounds! it is awfully iniquitous. Mr. D., forsooth, is to make up his losses by laying hold of my wine!

L.: Not exactly of the wine, but of its price. This is what we denominate premiums of encouragement, or bounties. Don't you see the great service you are rendering to the country?

J.: You mean to Mr. D.?

L.: To the country. Mr. D. assures us that his manufacture prospers in consequence of this arrangement, and in this way he says the country is enriched. He said so the other day in the Chamber, of which he is a member.

J.: This is a wretched quibble! A speculator enters into a losing trade, and dissipates his capital; and if he extorts from me and from my neighbors wine and wheat of sufficient value, not only to repair his losses, but afford him a profit, this is represented as a gain to the country at large.

L.: Your representative having come to this conclusion you have nothing more to do but to deliver up to me the six tuns of

wine that I demand, and sell the remaining fourteen tuns to the best advantage.

J.: That is my business.

L.: It will be unfortunate if you do not realize a large price.

J.: I will think of it.

L.: For this price will enable you to meet many more things.

J.: I am aware of that, Sir.

L.: In the first place, if you purchase iron to renew your ploughs and your spades, the law decrees that you must pay the ironmaster double what the commodity is worth.

J.: Yes, this is very consolatory.

L.: Then you have need of coal, of butchers' meat, of cloth, of oil, of wood, of sugar, and for each of these commodities the law makes you pay double.

J.: It is horrible, frightful, abominable!

L.: Why should you indulge in complaints? You yourself, through your representative:

J.: Say nothing more of my representative. I am amazingly represented, it is true. But they will not impose upon me a second time. I shall be represented by a good and honest peasant.

L.: Bah! you will re-elect the gallant General.

J.: Shall I re-elect him to divide my wine among Africans and manufacturers?

L.: I tell you, you will re-elect him.

J.: This is too much. I am free to re-elect him or not, as I choose.

L.: But you will so choose.

J.: Let him come forward again, and he will find whom he has to deal with.

L.: Well, we shall see. Farewell. I carry away your six tuns of wine, to be distributed as your friend, the General, has determined.

# 11

## PROTECTION; OR, THE THREE CITY ALDERMEN

DEMONSTRATION IN FOUR TABLEAUX

SCENE I—House of Master Peter

**W**indow looking out on a fine park.—Three gentlemen seated near a good fire.

PETER: Bravo! Nothing like a good fire after a good dinner. It does feel so comfortable. But alas! how many honest folks, like the Rio d'Yvetot,

*Soufflent, faute de bois  
Dans leurs doigts.*

Miserable creatures! A charitable thought has just come into my head. You see these fine trees; I am about to fell them, and distribute the timber among the poor.

PAUL and JOHN: What! gratis?

PETER: Not exactly. My good works would soon have an end were I to dissipate my fortune. I estimate my park as worth £1,000. By cutting down the trees I shall pocket much more.

PAUL: Wrong. Your wood as it stands is worth more than that of the neighboring forests, for it renders services that they cannot render. When cut down it will be only good for firewood, like any other, and will not bring a penny more the load.

PETER: Oh! oh! Mr. Theorist, you forget that I am a practical man. My reputation as a speculator is sufficiently well established, I believe, to prevent me from being taken for an idiot. Do you imagine I am going to amuse myself by selling my timber at the price of float-wood?

PAUL: It would seem so.

PETER: Simpleton! And what if I can hinder floatwood from being brought into Paris?

PAUL: That alters the case. But how can you manage it?

PETER: Here is the whole secret. You know that float-wood on entering the city pays 5d. the load. Tomorrow I induce the commune to raise the duty to £4, £8, £12—in short, sufficiently high to prevent the entry of a single log. Now, do you follow me? If the good people are not to die of cold they have no alternative but to come to my woodyard. They will bid against each other for my wood, and I will sell it for a high price; and this act of charity, successfully carried out, will put me in a situation to do other acts of charity.

PAUL: A fine invention, truly! It suggests to me another of the same kind.

JOHN: And what is that? Is philanthropy to be again brought into play?

PAUL: How do you like this Normandy butter?

JOHN: Excellent.

PAUL: Hitherto I have thought it passable. But do you not think it is a little strong? I could make better butter in Paris. I shall have four or five hundred cows, and distribute milk, butter and cheese among the poor.

PETER and JOHN: What! in charity?

PAUL: Bah! let us put charity always in the foreground. It is so fine a figure that its very mask is a good passport. I shall give my butter to the people, and they will give me their money. Is that what is called selling?

JOHN: No; not according to the Bourgeois Gentilhomme. But call it what you please, you will ruin yourself. How can Paris ever compete with Normandy in dairy produce?

PAUL: I shall be able to save the cost of carriage.

JOHN: Be it so. Still, while paying that cost, the Normans can beat the Parisians.

PAUL: To give a man something at a lower price—is that what you call beating him?

JOHN: It is the usual phrase; and you will always find yourself beaten.

PAUL.: Yes, as Don Quixote was beaten. The blows will fall upon Sancho. John, my friend, you forget the town dues.

JOHN: The town dues! What have they to do with your butter?

PAUL: To-morrow I shall demand protection, and induce the commune to prohibit butter being brought into Paris from Normandy and Brittany. The people must then either dispense with it, or purchase mine, and at my own price, too.

JOHN: Upon my honor, gentlemen, your philanthropy has quite made a convert of me.

*“On apprend a hurler, dit l’autre, avec les loups.”*

My mind is made up. It shall not be said that I am an unworthy alderman. Peter, this sparkling fire has inflamed your soul. Paul, this butter has lubricated the springs of your intelligence. I, too, feel stimulated by this piece of salted pork; and tomorrow I shall vote, and cause to be voted, the exclusion of swine, dead or alive. That done, I shall construct superb sheds in the heart of Paris.

*“Pour l’animal immonde aux Hebreux defendu.”*

I shall become a pig-driver and pork-butcher. Let us see how the good people of Paris can avoid coming to provide themselves at my shop.



PETER: Softly, my good friends; if you enhance the price of butter and salt meat to such an extent you cut down beforehand the profit I expect from my wood.

PAUL: And my speculation will be no longer so wondrously profitable if I am overcharged for my firewood and bacon.

JOHN: And I, what shall I gain by overcharging you for my sausages if you overcharge me for my faggots and bread and butter?

PETER: Very well, don't let us quarrel. Let us rather put our heads together and make reciprocal concessions. Moreover, it is not good to consult one's self-interest exclusively—we must exercise humanity, and see that the people do not lack fuel.

PAUL: Very right; and it is proper that the people should have butter to their bread.

JOHN: Undoubtedly; and a bit of bacon for the pot.

ALL: Three cheers for charity; three cheers for philanthropy; and tomorrow we take the town dues by assault.

PETER: Ah! I forgot. One word more; it is essential. My good friends, in this age of selfishness the world is distrustful, and the purest intentions are often misunderstood. Paul, you take the part of pleading for the wood; John will do the same for the butter; and I shall devote myself to the home-bred pig. It is necessary to prevent malignant suspicions.

PAUL and JOHN (leaving): Upon my word, that is a clever fellow.

## SCENE II—Council Chamber

PAUL: My dear colleagues, every day there are brought to Paris great masses of firewood, which drain away large sums of money. At this rate, we shall all be ruined in three years, and what will become of the poorer classes? (Cheers.) We must prohibit foreign timber. I don't speak for myself, for all the wood I possess would not make a toothpick. In what I mean to say, then, I am entirely free from any personal interest or bias. (Hear, hear.) But here is my friend Peter, who possesses a park, and he will guarantee an adequate supply of fuel to our fellow citizens, who will no

longer be dependent on the charcoal-burners of the Yonne. Have you ever turned your attention to the risk we run of dying of cold if the proprietors of forests abroad should take it into their heads to send no more firewood to Paris? Let us put a prohibition, then, on the bringing in of wood. By this means we shall put a stop to the draining away of our money, create an independent interest charged with supplying the city with firewood, and open up to workmen a new source of employment and remuneration. (Cheers.)

JOHN: I support the proposal of my honorable friend, the preceding speaker, which is at once so philanthropic, and, as he himself has explained, so entirely disinterested. It is indeed high time that we should put an end to this insolent *laissez passer*, which has brought immoderate competition into our markets, and to such an extent that there is no province that possesses any special facility for providing us with a product, be it what it may, that does not immediately inundate us, undersell us, and bring ruin on the Parisian workman. It is the duty of Government to equalize the conditions of production by duties wisely adapted to each case, so as not to allow to enter from without anything that is not dearer than in Paris, and so relieve us from an unequal struggle. How, for example, can we possibly produce milk and butter in Paris, with Brittany and Normandy at our door? Remember, gentlemen, that the agriculturists of Brittany have cheaper land, a more abundant supply of hay, and manual labor on more advantageous terms. Does not common sense tell us that we must equalize the conditions by a protective town tariff? I demand that the duty on milk and butter should be raised by 1,000 percent, and still higher if necessary. The workman's breakfast will cost a little more, but see to what extent his wages will be raised! We shall see rising around us cow-barns, dairies, and barrel churns, and the foundations laid of new sources of industry. Not that I have any interest in this proposition. I am not a rancher, nor have I any wish to be so. The sole motive that actuates me is a wish to be useful to the working classes. (Applause.)

PETER: I am delighted to see in this assembly statesmen so pure, so enlightened, and so devoted to the best interests of the people. (Cheers.) I admire their disinterestedness, and I cannot do better than imitate the noble example which has been set me. I give their motions my support, and I shall only add another, for prohibiting the entry into Paris of the pigs of Poitou. I have no desire, I assure you, to become a pig-driver or a pork-butcher. In that case I should have made it a matter of conscience to be silent. But is it not shameful, gentlemen, that we should be the tributaries of the peasants of Poitou, who have the audacity to come into our own market and take possession of a branch of industry that we ourselves have the means of carrying on? And who, after having inundated us with their hams and sausages, take perhaps nothing from us in return? At all events, who will tell us that the balance of trade is not in their favor, and that we are not obliged to pay them a tribute in hard cash? Is it not evident that if the industry of Poitou were transplanted to Paris it would open up a steady demand for Parisian labor? And then gentlemen, is it not very possible, as M. Lestibouois has so well remarked that we may be buying the salt pork of Poitou, not with our incomes, but with our capital? Where will that land us? Let us not suffer, then, that rivals who are at once avaricious, greedy, and perfidious, should come here to undersell us, and put it out of our power to provide ourselves with the same commodities. Gentlemen, Paris has reposed in you her confidence; it is for you to justify that confidence. The people are without employment; it is for you to create employment for them; and if salt pork shall cost them a somewhat higher price, we have, at least, the consciousness of having sacrificed our own interests to those of the masses, as every good magistrate ought to do. (Loud and long-continued cheers.)

A VOICE: I have heard much talk of the poor; but under pretext of affording them employment you begin by depriving them of what is worth more than employment itself—namely, butter, firewood, and meat.

PETER, PAUL and JOHN: Vote, vote! Down with Utopian dreamers, theorists, generalizers! Vote, vote! (The three motions are carried.)

SCENE III—Twenty Years Afterwards

SON: Father, make up your mind; we must leave Paris. Nobody can any longer live here—no work, and everything dear.

FATHER: You don't know, my son, how much it costs one to leave the place where he was born.

SON: The worst thing of all is to perish from want.

FATHER: Go you, then, and search for a more hospitable country. For myself, I will not leave the place where are the graves of your mother, and of your brothers and sisters. I long to obtain with them that repose which has been denied me in this city of desolation.

SON: Courage, father; we shall find employment somewhere else—in Poitou, or Normandy, or Brittany. It is said that all the manufactures of Paris are being removed by degrees to these distant provinces.

FATHER: And naturally so. Not being able to sell firewood and provisions, the people of these provinces have ceased to produce them beyond what their own wants call for. The time and capital at their disposal are devoted to making for themselves those articles with which we were accustomed formerly to furnish them.

SON: Just as at Paris they have given up making pretty dresses and furniture, and betaken themselves to the planting of trees and the rearing of pigs and cows. Although still young, I have lived to see vast warehouses, sumptuous parts of the city, and quays once teeming with life and animation on the banks of the Seine turned into meadows and copses.

FATHER: While towns are spread over the provinces, Paris is turned into country. What a deplorable revolution! And this terrible calamity has been brought upon us by three magistrates, backed by public ignorance.

SON: Pray tell me the history of this change.

FATHER: It is short and simple. Under pretext of planting in Paris three new branches of industry, and by this means giving employment to the working classes, these men got the commune to prohibit the entry into Paris of firewood, butter and meat. They claimed for themselves the right of providing for their fellow-citizens. These commodities rose at first to exorbitant prices. No one earned enough to procure them, and the limited number of those who could procure them spent all their income on them, and had no longer the means of buying anything else. A check was thus given at once to all other industries, and all the more quickly that the provinces no longer afforded a market. Poverty, death, and emigration then began to depopulate Paris.

SON: And when is this to stop?

FATHER: When Paris has become a forest and a prairie.

SON: The three magistrates must have made a large fortune.

FATHER: At first they realized enormous profits, but at length they fell into the common poverty.

SON: How did that happen?

FATHER: Look at that ruin. That was a magnificent mansion-house surrounded with a beautiful park. If Paris had continued to progress, Master Peter would have realized more rent than his entire capital now amounts to.

SON: How can that be, seeing he has got rid of competition?

FATHER: Competition in selling has disappeared, but competition in buying is also disappearing, and will continue every day to disappear more and more until Paris becomes a bare field, and until the copses of Master Peter have no more value than the copses of an equal extent of land in the Forest of Bondy. It is thus that monopoly, like every other system of injustice, carries in itself its own punishment.

SON: That appears to me not very clear, but the decadence of Paris is an incontestable fact. Is there no means, then, of counter-acting this iniquitous measure that Peter and his colleagues got adopted twenty years ago?

FATHER: I am going to tell you a secret. I remain in Paris on purpose. I shall call in the people to my assistance. It rests with them to replace the town dues on their ancient basis, and repeal that fatal principle that was engrafted on them, and that still vegetates there like a parasitical fungus.

SON: You will succeed in this at once.

FATHER: On the contrary, the work will be difficult and laborious. Peter, Paul and John understand one another marvelously. They will do anything rather than allow firewood, butter, and butchers' meat to enter Paris. They have on their side the people, who see clearly the employment that these three protected branches of industry afford, who know well to how many ranchers and wood-merchants they give employment, but who have by no means the same exact idea of the labor that would be developed in the grand air of liberty.

SON: If that is all, you will soon enlighten them.

FATHER: At your age, my son, one doubts of nothing. If I write, the people will not read; for, to support their miserable existence, they have no spare time at their disposal. If I speak, the aldermen will shut my mouth. The people, therefore, will long remain under their fatal mistake. Political parties, whose hopes are founded on popular passions, will set themselves, not to dissipate their prejudices, but to make use of them. I shall have to combat at one and the same time the powerful men of the day, the people, and the political parties. In truth, I see a frightful storm ready to burst over the head of the bold man who shall venture to protest against an iniquity so deeply rooted in this country.

SON: You will have truth and justice on your side.

FATHER: And they will have force and calumny on theirs. Were I but young again; but age and suffering have exhausted my strength!

SON: Very well, father; what strength remains to you, devote it to the service of the country. Begin this work of enfranchisement, and leave to me the task of finishing it.

## SCENE IV—The Agitation

JACQUES BONHOMME: Parisians, let us insist upon a reform of the town duties; let us demand that they be instantly put back to what they were. Let every citizen be FREE to buy his firewood, butter, and butchers' meat where he sees fit.

THE PEOPLE: Hurrah for Liberty!

PETER: Parisians, don't allow yourselves to be seduced by that word, liberty. What good can result from liberty to purchase if you want the means, and how can you have the means if you are out of employment? Can Paris produce firewood as cheaply as the Forest of Bondy? Meat as cheaply as Poitou? Butter as cheaply as Normandy? If you open your gates freely to these rival products, what will become of the ranchers, woodcutters, and pork-butchers? They cannot dispense with protection.

THE PEOPLE: Hurrah for Protection!

JACQUES BONHOMME: Protection! But who protects you workmen? Do you not compete with one another? Let the wood-merchants, then, be subject to competition in their turn. They ought not to have right by law to raise the price of firewood, unless the rate of wages is also raised by law. Are you no longer in love with equality?

THE PEOPLE: Hurrah for Equality!

PETER: Don't listen to these agitators. We have, it is true, raised the price of firewood, butchers' meat, and butter; but we have done so for the express purpose of being enabled to give good wages to the workmen. We are actuated by motives of charity.

THE PEOPLE: Hurrah for Charity!

JACQUES BONHOMME: Cause the rate of wages to be raised by the town dues, if you can, or cease to use them to raise the prices of commodities. We Parisians ask for no charity—we demand justice.

THE PEOPLE: Hurrah for Justice!

PETER: It is precisely the high price of commodities that will lead, indirectly, to a rise of wages.

THE PEOPLE: Hurrah for Dearness!

JACQUES BONHOMME: If butter is dear, it is not because you pay high wages to the workmen, it is not even because you make exorbitant profits; it is solely because Paris is ill-adapted for that branch of industry; it is because you have wished to make in the town what should be made in the country, and in the country what should be made in the town. The people have not more employment—only they have employment of a different kind. They have no higher wages; while they can no longer buy commodities as cheaply as formerly.

THE PEOPLE: Hurrah for Cheapness!

PETER: This man seduces you with fine words. Let us place the question before you in all its simplicity. Is it, or is it not true, that if we admit firewood, meat, and butter freely or at a lower duty, our markets will be inundated? Believe me there is no other means of preserving ourselves from this new species of invasion but to keep the door shut, and to maintain the prices of commodities by rendering them artificially scarce.

A VERY FEW VOICES IN THE CROWD: Hurrah for Scarcity!

JACQUES BONHOMME: Let us bring the question to the simple test of truth. You cannot divide among the people of Paris commodities that are not in Paris. If there be less meat, less firewood, less butter, the share falling to each will be smaller. Now there must be less if we prohibit what should be allowed to enter the city. Parisians, abundance for each of you can be secured only by general abundance.

THE PEOPLE: Hurrah for Abundance!

PETER: It is in vain that this man tries to persuade you that it is your interest to be subjected to unbridled competition.

THE PEOPLE: Down with Competition!

JACQUES BONHOMME: It is in vain that this man tries to make you fall in love with restriction.

THE PEOPLE: Down with Restriction!

PETER: I declare, for my own part, if you deprive the poor ranchers and pig-drivers of their daily bread, if you sacrifice them to theories, I can no longer be answerable for public order.



Workmen, distrust that man. He is the agent of perfidious Normandy, and is prompted by the foreigner. He is a traitor, and ought to be hanged!

(The people preserve silence.)

JACQUES BONHOMME: Parisians, what I have told you today, I told you twenty years ago, when Peter set himself to work the town dues for his own profit and to your detriment. I am not, then, an agent of Normandy. Hang me, if you will, but that will not make oppression anything else than oppression. Friends, it is neither Jacques nor Peter that you must kill, but liberty if you fear it, or restriction if it does you harm.

THE PEOPLE: Hang nobody, and set everybody free.

# 12

## SOMETHING ELSE

“**W**hat is restriction?”

“It is partial prohibition.” “What is prohibition?” “Absolute restriction.”

“So that what holds true of the one, holds true of the other?”

“Yes; the difference is only one of degree. There is between them the same relation as there is between a circle and the arc of a circle.”

“Then, if prohibition is bad, restriction cannot be good?”

“No more than the arc can be correct if the circle is irregular.”

“What is the name which is common to restriction and prohibition?”

“Protection.”

“What is the definitive effect of protection?”

“To exact from men a greater amount of labor for the same result.”

“Why are men attached to the system of protection?”

“Because as liberty enables us to obtain the same result with less labor, this apparent diminution of employment frightens them.”

“Why do you say apparent?”

“Because all labor saved can be applied to something else.”

“To what?”

“That I cannot specify, nor is there any need to specify it.”

“Why?”

“Because if the amount of satisfactions the country at present enjoys could be obtained with one-tenth less labor, no one can enumerate the new enjoyments that men would desire to obtain from the labor left disposable. One man would desire to be better clothed, another better fed, another better educated, another better amused.”

“Explain to me the mechanism and the effects of protection.”

“That is not an easy matter. Before entering on consideration of the more complicated cases, we must study it in a very simple one.”

“Take as simple a case as you choose.”

“You remember how Robinson Crusoe managed to make a plank when he had no saw.”

“Yes; he felled a tree, and then, cutting the trunk right and left with his hatchet, he reduced it to the thickness of a board.”

“And that cost him much labor?”

“Fifteen whole days’ work.”

“And what did he live on during that time?”

“He had provisions.”

“What happened to the hatchet?”

“It was blunted by the work.”

“Yes; but you perhaps do not know this: that at the moment when Robinson was beginning the work he perceived a plank thrown by the tide upon the seashore.”

“Happy accident! He of course ran to appropriate it?”

“That was his first impulse; but he stopped short, and began to reason thus with himself: If I get this plank, it will cost me only

the trouble of carrying it, and the time needed to descend and remount the cliff.”

“But if I form a plank with my hatchet, first of all, it will procure me fifteen days’ employment; then my hatchet will get blunt, which will furnish me with the additional employment of sharpening it; then I shall consume my stock of provisions, which will be a third source of employment in replacing them. Now, labor is wealth. It is clear that I should ruin myself by getting the plank. I must protect my personal labor; and, now that I think of it, I can even increase that labor by throwing back the plank into the sea.”

“But this reasoning was absurd.”

“No doubt. It is nevertheless the reasoning of every nation that protects itself by prohibition. It throws back the plank that is offered in exchange for a small amount of labor in order to exert a greater amount of labor. Even in the labor of the Customhouse officials it discovers a gain. That gain is represented by the pains Robinson takes to render back to the waves the gift they had offered him. Consider the nation as a collective being, and you will not find between its reasoning and that of Robinson an atom of difference.”

“Did Robinson not see that he could devote the time saved to something else?”

“What else?”

“As long as a man has wants to satisfy and time at his disposal, there is always something to be done. I am not bound to specify the kind of labor he would in such a case undertake.”

“I see clearly what labor he could have escaped.”

“And I maintain that Robinson, with incredible blindness, confounded the labor with its result, the end with the means, and I am going to prove to you. . . .”

“There is no need. Here we have the system of restriction or prohibition in its simplest form. If it appears to you absurd when so put, it is because the two capacities of producer and consumer are in this case mixed up in the same individual.”

“Let us pass on, therefore, to a more complicated example.”

“With all my heart. Some time afterwards, Robinson having met with Friday, they united their labor in a common work. In the morning they hunted for six hours, and brought home four baskets of game. In the evening they worked in the garden for six hours, and obtained four baskets of vegetables.

“One day a canoe touched at the island. A good-looking foreigner landed, and was admitted to the table of our two recluses. He tasted and commended very much the produce of the garden, and before taking leave of his entertainers, spoke as follows:

“ ‘Generous islanders, I inhabit a country where game is much more plentiful than here, but where horticulture is quite unknown. It would be an easy matter to bring you every evening four baskets of game, if you will give me in exchange two baskets of vegetables.’ ”

“At these words Robinson and Friday retired to consult, and the debate that took place is too interesting not to be reported *in extenso*.

“FRIDAY: What do you think of it?

“ROBINSON: If we accept the proposal, we are ruined.

“F.: Are you sure of that? Let us consider.

“R.: The case is clear. Crushed by competition, our hunting as a branch of industry is annihilated.

“F.: What matters it, if we have the game?

“R.: Theory! It will no longer be the product of our labor.

“F.: I beg your pardon, sir; for in order to have game we must part with vegetables.

“R.: Then, what shall we gain?

“F.: The four baskets of game cost us six hours’ work. The foreigner gives us them in exchange for two baskets of vegetables, which cost us only three hours’ work. This places three hours at our disposal.

“R.: Say, rather, which are subtracted from our exertions. There is our loss. Labor is wealth, and if we lose a fourth part of our time we shall be less rich by a fourth.

“F.: You are greatly mistaken, my good friend. We shall have as much game, and the same quantity of vegetables, and three

hours at our disposal into the bargain. This is progress, or there is no such thing in the world.

“R.: You lose yourself in generalities! What should we make of these three hours?

“F.: We would do something else.

“R.: Ah! I understand you. You cannot come to particulars. Something else, something else—that is easily said.

“F.: We can fish, we can ornament our cottage, we can read the Bible.

“R.: Utopia! Is there any certainty that we should do either the one or the other?

“F.: Very well, if we have no wants to satisfy we can rest. Is repose nothing?

“R.: But while we repose we may die of hunger.

“F.: My dear friend, you have got into a vicious circle. I speak of a repose which will subtract nothing from our supply of game and vegetables. You always forget that by means of our foreign trade nine hours' labor will give us the same quantity of provisions that we obtain at present with twelve.

“R.: It is very evident, Friday, that you have not been educated in Europe, and that you have never read the *Moniteur Industriel*. If you had, it would have taught you this: that all time saved is sheer loss. The important thing is not to eat or consume, but to work. All that we consume, if it is not the direct produce of our labor, goes for nothing. Do you want to know whether you are rich? Never consider the enjoyments you obtain, but the labor you undergo. This is what the *Moniteur Industriel* would teach you. For myself, who have no pretensions to be a theorist, the only thing I look at is the loss of our hunting.

“F.: What a strange turning upside down of ideas! But . . .

“R.: No buts. Moreover, there are political reasons for rejecting the interested offers of the perfidious foreigner.

“F.: Political reasons!

“R.: Yes, he only makes us these offers because they are advantageous to him.

“F.: So much the better, since they are for our advantage likewise.

“R.: Then by this traffic we should place ourselves in a situation of dependence upon him.

“F.: And he would place himself in dependence on us. We should have need of his game, and he of our vegetables, and we should live on terms of friendship.

“R.: System! Do you want me to shut your mouth?

“F.: We shall see about that. I have as yet heard no good reason.

“R.: Suppose the foreigner learns to cultivate a garden, and that his island should prove more fertile than ours. Do you see the consequence?

“F.: Yes; our relations with the foreigner would cease. He would take from us no more vegetables, since he could have them at home with less labor. He would bring us no more game, since we should have nothing to give him in exchange, and we should then be in precisely the situation that you wish us in now.

“R.: Improvident savage! You don’t see that after having annihilated our hunting by inundating us with game, he would annihilate our gardening by inundating us with vegetables.

“F.: But this would only last so long as we were in a situation to give him something else; that is to say, so long as we found something else that we could produce with economy of labor for ourselves.

“R.: Something else, something else! You always come back to that. You are at sea, my good friend Friday; there is nothing practical in your views.

“The debate was long prolonged, and, as often happens, each remained wedded to his own opinion. But Robinson possessing a great influence over Friday, his opinion prevailed, and when the foreigner arrived to demand a reply, Robinson said to him:

“ ‘Stranger, in order to induce us to accept your proposal, we must be assured of two things:

“The first is, that your island is no better stocked with game than ours, for we want to fight only with equal weapons.

“The second is that you will lose by the bargain. For, as in every exchange there is necessarily a gaining and a losing party, we should be dupes, if you were not the loser. What have you got to say?”

“Nothing,” replied the foreigner; and, bursting out laughing, he got back into his canoe.”

“The story would not be amiss if Robinson were not made to argue so very absurdly.”

“He does not argue more absurdly than the committee of the Rue Hauteville.”

“Oh! the case is very different. Sometimes you suppose one man, and sometimes (which comes to the same thing) two men living in company. That does not tally with the actual state of things. The division of labor and the intervention of merchants and money change the state of the question very much.”

“That may complicate transactions, but does not change their nature.”

“What! you want to compare modern commerce with a system of barter.”

“Trade is nothing but a multiplicity of barter. Barter is in its own nature identical with commerce, just as labor on a small scale is identical with labor on a great scale, or as the law of gravitation that moves an atom is identical with the same law of gravitation that moves a world.”

“So, according to you, these arguments, which are so untenable in the mouth of Robinson, are equally untenable when urged by our protectionists.”

“Yes; only the error is better concealed under a complication of circumstances.”

“Then, pray, let us have an example taken from the present order of things.”



“With pleasure. In France, owing to the exigencies of climate and habits, cloth is a useful thing. Is the essential thing to make it, or to get it?”

“A very sensible question, truly! In order to have it, you must make it.”

“Not necessarily. To have it, someone must make it, that is certain; but it is not at all necessary that the same person or the same country that consumes it should also produce it. You have not made that stuff which clothes you so well. France does not produce the coffee on which our citizens breakfast.”

“But I buy my cloth, and France her coffee.

“Exactly so; and with what?”

“With money.”

“But neither you nor France produce the material of money.”

“We buy it.”

“With what?”

“With our products, which are sent to Peru.”

“It is then, in fact, your labor that you exchange for cloth, and French labor that is exchanged for coffee.”

“Undoubtedly.”

“It is not absolutely necessary, therefore, to manufacture what you consume?”

“No; if we manufacture something else that we give in exchange.”

“In other words, France has two means of procuring a given quantity of cloth. The first is to make it; the second is to make something else, and to exchange this something else with the foreigner for cloth. Of these two means, which is the best?”

“I don’t very well know.”

“Is it not that which, for a determinate amount of labor, obtains the greater quantity of cloth?”

“It seems so.”

“And which is best for a nation, to have the choice between these two means, or that the law should prohibit one of them, on the chance of stumbling on the better of the two?”

“It appears to me that it is better for the nation to have the choice, inasmuch as in such matters it invariably chooses right.”

“The law, which prohibits the importation of foreign cloth, decides, then, that if France wishes to have cloth, she must make it, and she is prohibited from making the something else with which she could purchase foreign cloth.”

“True.”

“And as the law obliges us to make the cloth, and forbids our making the something else, precisely because that something else would exact less labor (but for which reason the law would not interfere with it) the law virtually decrees that for a determinate amount of labor, France shall only have one yard of cloth, when for the same amount of labor she might have two yards, by applying that labor to something else.”

“But the question recurs, ‘What else?’”

“And my question recurs, ‘What does it signify?’ Having the choice, she will only make the something else to such an extent as there may be a demand for it.”

“That is possible; but I cannot divest myself of the idea that the foreigner will send us his cloth, and not take from us the something else, in which case we would be entrapped. At all events, this is the objection even from your own point of view. You allow that France could make this something else to exchange for cloth, with a less expenditure of labor than if she had made the cloth itself?”

“Undoubtedly.”

“There would, then, be a certain amount of her labor rendered inert?”

“Yes; but without her being less well provided with clothes, a little circumstance which makes all the difference. Robinson lost sight of this, and our protectionists either do not see it, or pretend not to see it. The shipwrecked plank rendered fifteen days of Robinson’s labor inert, in so far as that labor was applied to making a plank, but it did not deprive him of it. Discriminate, then, between these two kinds of diminished labor—the diminution

that has for effect privation, and that which has for its cause satisfaction. These two things are very different, and if you mix them up, you reason as Robinson did. In the most complicated, as in the most simple cases, the fallacy consists in this: Judging of the utility of labor by its duration and intensity, and not by its results; which gives rise to this economic policy: To reduce the results of labor for the purpose of augmenting its duration and intensity.”<sup>1</sup>

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<sup>1</sup>See chapters 2 and 3, first series; and *Economic Harmonies*, chap. 6.

# 13

## THE LITTLE ARSENAL OF THE FREE-TRADER

If anyone tells you that there are no absolute principles, no inflexible rules; that prohibition may be bad and yet that restriction may be good,

Reply: "Restriction prohibits all that it hinders from being imported."

If anyone says that agriculture is the mother's milk of the country,

Reply: "What nourishes the country is not exactly agriculture, but wheat."

If anyone tells you that the basis of the food of the people is agriculture,

Reply: "The basis of the people's food is wheat. This is the reason why a law that gives us, by agricultural labor, two quarters of wheat, when we could have obtained four quarters without such labor, and by means of labor applied to manufactures, is a law not for feeding, but for starving the people."

If anyone remarks that restriction upon the importation of foreign wheat gives rise to a more extensive culture, and consequently to increased home production,

Reply: "It induces men to sow grain on comparatively barren and ungrateful soils. To milk a cow and go on milking her, puts a little more into the pail, for it is difficult to say when you will come to the last drop. But that drop costs dear."

If anyone tells you that when bread is dear, the agriculturist, having become rich, enriches the manufacturer,

Reply: "Bread is dear when it is scarce, and then men are poor, or, if you like it better, they become rich starvelings."

If you are further told that when bread gets dearer, wages rise,

Reply by pointing out that in April 1847, five-sixths of our workmen were receiving charity.

If you are told that the wages of labor should rise with the increased price of provisions,

Reply: "This is as much as to say that in a ship without provisions, everybody will have as much biscuit as if the vessel were fully victualled."

If you are told that it is necessary to secure a good price to the man who sells wheat,

Reply: "That in that case it is also necessary to secure good wages to the man who buys it."

If it is said that the proprietors, who make the laws, have raised the price of bread without taking thought about wages, because they know that when bread rises wages naturally rise,

Reply: "Upon the same principle, when the workmen come to make the laws, don't blame them if they fix a high rate of wages without busying themselves about protecting wheat, because they know that when wages rise, provisions naturally rise also."

If you are asked what, then, is to be done?

Reply: "Be just to everybody."

If you are told that it is essential that every great country should produce iron,

Reply: "What is essential is, that every great country should have iron."

If you are told that it is indispensable that every great country should produce cloth,

Reply: "The indispensable thing is that the citizens of every great country should have cloth."

If it be said that labor is wealth,

Reply: "This is not true."

And, by way of development, add: "Letting blood is not health, and the proof of it is that it is resorted to for the purpose of restoring health."

If it is said: "To force men to mine rocks, and extract an ounce of iron from a hundredweight of ore, is to increase their labor and consequently their wealth."

Reply: "To force men to dig wells by prohibiting them from taking water from the brook is to increase their useless labor, but not their wealth."

If you are told that the sun gives you his heat and light without remuneration,

Reply: "So much the better for me, for it costs me nothing to see clearly."

And if you are answered that industry in general loses what would have been paid for artificial light,

Rejoin: "No; for having paid nothing to the sun, what he saves me enables me to buy clothes, furniture, and candles."

In the same way, if you are told that these rascally English possess capital that is dormant,

Reply: "So much the better for us; they will not make us pay interest for it."

If it is said: "These perfidious English find coal and iron in the same pit,"

Reply: "So much the better for us; they will charge us nothing for bringing them together."

If you are told that the Swiss have rich pasturages, which cost little:

Reply: "The advantage is ours, for they will demand a smaller amount of our labor in return for giving an impetus to our agriculture, and supplying us with provisions."

If they tell you that the lands of the Crimea have no value, and pay no taxes,

Reply: "The profit is ours, who buy corn free from such charges."

If they tell you that the serfs of Poland work without wages,

Reply: "The misfortune is theirs and the profit is ours, since their labor does not enter into the price of the wheat their masters sell us."

Finally, if they tell you that other nations have many advantages over us,

Reply: "By means of exchange, they are forced to allow us to participate in these advantages."

If they tell you that under free-trade we are about to be inundated with bread, beef *a la mode*, coal, and winter clothing,

Reply: "In that case we shall be neither hungry nor thirsty."

If they ask how we are to pay for these things?

Reply: "Don't let that disquiet you. If we are inundated, it is a sign we have the means of paying for the inundation; and if we have not the means of paying, we shall not be inundated."

If anyone says: I should approve of free trade, if the foreigner, in sending us his products, would take our products in exchange; but he carries off our money,

Reply: "Neither money nor coffee grows in the fields of Beauce, nor are they turned out by the workshops of Elbeuf. So far as we are concerned, to pay the foreigner with money is the same thing as paying him with coffee."

If they bid you eat butcher's meat,

Reply: "Allow it to be imported."

If they say to you, in the words of *La Presse*, "When one has not the means to buy bread, he is forced to buy beef,"

Reply: "This is advice quite as judicious as that given by M. Vautour to his tenant:

"*'Quand on n'a pas de quoi payer son terme,  
Il faut avoir une maison a soi.'*"

If, again, they say to you, in the words of *La Presse*, “The government should teach the people how and why they must eat beef,”

Reply: “The government has only to allow the beef to be imported, and the most civilized people in the world will know how to use it without being taught by a master.”

If they tell you that the government should know everything, and foresee everything, in order to direct the people, and that the people have simply to allow themselves to be led,

Reply by asking: “Is there a state apart from the people? Is there a human foresight apart from humanity? Archimedes might repeat every day of his life, ‘With a fulcrum and lever I can move the world;’ but he never did move it, for want of a fulcrum and lever. The lever of the state is the nation, and nothing can be more foolish than to found so many hopes upon the state, which is simply to take for granted the existence of collective science and foresight, after having set out with the assumption of individual imbecility and improvidence.”

If anyone says, “I ask no favor, but only such a duty on bread and meat as shall compensate the heavy taxes to which I am subjected; only a small duty equal to what the taxes add to the cost price of my wheat,”

Reply: “A thousand pardons; but I also pay taxes. If, then, the protection you vote in your own favor has the effect of burdening me as a purchaser of corn with exactly your share of the taxes, your modest demand amounts to nothing less than establishing this arrangement as formulated by you: ‘Seeing that the public charges are heavy, I, as a seller of wheat, am to pay nothing, and you my neighbor, as a buyer of wheat, are to pay double, viz., your own share and mine into the bargain.’ Mr. Grain-merchant, my good friend, you may have force at your command, but assuredly you have not reason on your side.”

If anyone says to you, “It is, however, exceedingly hard upon me, who pays taxes, to have to compete in my own market with the foreigner, who pays none,”



Reply: “In the first place, it is not your market, but our market. I who live upon wheat and pay for it, should surely be taken into account.

“Second, Few foreigners at the present day are exempt from taxes.

“Third, If the taxes you vote yield you in roads, canals, security, etc., more than they cost you, you are not justified in repelling, at my expense, the competition of foreigners, who, if they do not pay taxes, have not the advantages you enjoy in roads, canals, and security. You might as well say, ‘I demand a compensating duty because I have finer clothes, stronger horses, and better ploughs than the hard-working peasant of Russia.’”

“Fourth, If the tax does not repay you for what it costs, don’t vote it.”

“Fifth, In short, after having voted the tax, do you wish to get free from it? Try to frame a law that will throw it on the foreigner. But your tariff makes your share of it fall upon me, who have already my own burden to bear.”

If anyone says, “For the Russians free trade is necessary to enable them to exchange their products with advantage” (Opinion of M. Thiers in the Bureaux, April, 1847),

Reply: “Liberty is necessary everywhere, and for the same reason.”

If you are told, “Each country has its wants, and we must be guided by that in what we do” (M. Thiers),

Reply: “Each country acts thus of its own accord, if you don’t throw obstacles in the way.”

If they tell you, “We have no sheet-iron, and we must allow it to be imported” (M. Thiers),

Reply: “Many thanks.”

If you are told, “We have no freights for our merchant shipping. The want of return cargoes prevents our shipping from competing with foreigners” (M. Thiers),

Reply: “When a country wishes to have everything produced at home, there can be no freights either for exports or imports. It is just as absurd to desire to have a mercantile marine under a

system of prohibition as it would be to have carts when there is nothing to carry.”

If you are told that, assuming protection to be unjust, everything has been arranged on that footing; capital has been embarked; rights have been acquired; and the system cannot be changed without suffering to individuals and classes,

Reply: “All injustice is profitable to somebody (except, perhaps, restriction, which in the long run benefits no one). To argue from the derangement that the cessation of injustice may occasion to the man who profits by it is as much as to say that a system of injustice, for no other reason than that it has had a temporary existence, ought to exist for ever.”



# 14

## THE RIGHT HAND AND THE LEFT

REPORT ADDRESSED TO THE KING<sup>1</sup>

SIRE—When we observe these free trade advocates boldly disseminating their doctrines, and maintaining that the right of buying and selling is implied in the right of property (as has been urged by Mr. Billaut in the true style of a special pleader), we may be permitted to feel serious alarm as to the fate of our national labor; for what would Frenchmen make of their heads and their hands were they free?

The administration that you have honored with your confidence has turned its attention to this grave state of things, and has sought in its wisdom to discover a species of protection that may be substituted for that which appears to be getting out of repute. They propose a law TO PROHIBIT YOUR FAITHFUL SUBJECTS FROM USING THEIR RIGHT HANDS.

Sire, we beseech you not to do us the injustice of supposing that we have adopted lightly and without due deliberation a

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<sup>1</sup>Written in 1847.

measure that at first sight may appear somewhat whimsical. A profound study of the system of protection has taught us this syllogism, upon which the whole doctrine reposes:

The more men work, the richer they become;

The more difficulties there are to be overcome, the more work:

Ergo, the more difficulties there are to be overcome, the richer they become.

In fact, what is protection, if it is not an ingenious application of this reasoning—reasoning so close and conclusive as to balk the subtlety of Mr. Billault himself?

Let us personify the country, and regard it as a collective being with thirty million mouths, and, as a natural consequence, with sixty million hands. Here is a man who makes a French clock, which he can exchange in Belgium for ten hundredweights of iron. But we tell him to make the iron himself. He replies, “I cannot, it would occupy too much of my time; I should produce only five hundredweights of iron during the time I am occupied in making a clock.” Utopian dreamer, we reply, that is the very reason why we forbid you to make the clock, and order you to make the iron. Don’t you see we are providing employment for you?

Sire, it cannot have escaped your sagacity that this is exactly the same thing in effect as if we were to say to the country, “Work with your left hand, and not with the right.”

To create obstacles in order to furnish labor with an opportunity of developing itself, was the principle of the old system of restriction, and it is the principle likewise of the new system that is now being inaugurated. Sire, to regulate industry in this way is not to innovate, but to persevere.

As regards the efficiency of the measure, it is incontestable. It is difficult, much more difficult than one would suppose, to do with the left hand what we have been accustomed to do with the right. You will be convinced of this, Sire, if you will condescend to make trial of our system in a process which must be familiar to you; as, for example, in shuffling a deck of cards. For this reason

we flatter ourselves that we are opening to labor an unlimited career.

When workmen in all departments of industry are thus confined to the use of the left hand, we may figure to ourselves, Sire, the immense number of people that will be wanted to supply the present consumption, assuming it to continue invariable, as we always do when we compare two different systems of production with one another. So prodigious a demand for manual labor cannot fail to induce a great rise of wages, and poverty will disappear as if by magic.

Sire, your paternal heart will rejoice to think that this new law of ours will extend its benefits to that interesting part of the community whose destinies engage all your solicitude. What is the present destiny of women in France? The bolder and more hardy sex drives them insensibly out of every department of industry.

Formerly, they had the resource of the lottery offices. These offices have been shut up by a pitiless philanthropy, and on what pretext? "To save the money of the poor." Alas! the poor man never obtained for a piece of money enjoyments as sweet and innocent as those afforded by the mysterious turn of fortune. Deprived of all the comforts of life, when he, fortnight after fortnight, risked a day's wages, how many delicious hours did he afford his family! Hope was always present at his fireside. The garret was peopled with illusions. The wife hoped to rival her neighbors in her style of living; the son saw himself the drum-major of a regiment; and the daughter fancied herself led to the altar by her betrothed.

*"C'est quelque chose encor que de faire un beau reve!"*

The lottery was the poetry of the poor, and we have lost it.

The lottery gone, what means have we of providing for our wards? Tobacco-shops and the post-office.

Tobacco, all right; its use progresses, thanks to distinguished examples.

But the post-office! . . . We shall say nothing of it, it will be the subject of a special report.

Except, then, the sale of tobacco, what employment remains for your female subjects? Embroidery, lace making, and sewing—melancholy resources, which the barbarous science of mechanics goes on limiting more and more.

But the moment your new law comes into operation, the moment right hands are amputated or tied up, the face of everything will be changed. Twenty times, thirty times, more embroiderers, polishers, laundresses, seamstresses, milliners, shirtmakers, will not be sufficient to supply the wants of the kingdom, always assuming, as before, the consumption to be the same.

This assumption may very likely be disputed by some cold theorists, for dress and everything else will then be dearer. The same thing may be said of the iron we extract from our own mines, compared with the iron we could obtain in exchange for our wines. This argument, therefore, does not tell more against left-handed men than against protection, for this very dearness is the effect and the sign of an excess of work and exertion, which is precisely the basis upon which, in both cases, we contend that the prosperity of the working classes is founded.

Yes, we can make a touching picture of the prosperity of the millinery business. What movement! What activity! What life! Every dress will occupy a hundred fingers, instead of ten. No young woman will be idle, and we have no need, Sire, to indicate to your perspicacity the moral consequences of this great revolution. Not only will there be more young women employed, but each of them will earn more, for they will be unable to supply the demand; and if competition shall again show itself, it will not be among the seamstresses who make the dresses, but among the fine ladies who wear them.

You must see then, Sire, that our proposal is not only in strict conformity with the economic traditions of the government, but is in itself essentially moral and popular.

To appreciate its effects, let us suppose the law passed and in operation—let us transport ourselves in imagination into the future—and assume the new system to have been in operation for twenty years. Idleness is banished from the country; ease and

concord, contentment and morality, have, with employment, been introduced into every family—no more poverty, no more vice. The left hand being very awkward at all work, employment will be abundant, and the remuneration adequate. Everything is arranged on this footing, and the workshops in consequence are full. If, in such circumstances, Sire, Utopian dreamers were all at once to agitate for the right hand being again set free, would they not throw the whole country into alarm? Would such a pretended reform not overturn the whole existing state of things? Then our system must be good, since it could not be put an end to without universal suffering.

And yet we confess we have the melancholy presentiment (so great is human perversity) that some day there will be formed an association for right-hand freedom.

We think that already we hear the free right-handers, assembled in the Salle Montesquieu, holding this discourse:

“Good people, you think yourselves richer because the use of one of your hands has been denied you; you take account only of the additional employment that that brings you. But consider also the high prices that result from it, and the forced diminution of consumption. That measure has not made capital more abundant, and capital is the fund from which wages are paid. The streams that flow from that great reservoir are directed toward other channels; but their volume is not enlarged; and the ultimate effect, as far as the nation at large is concerned, is the loss of all that wealth which that of right hands could produce, compared with what is now produced by an equal number of left hands. At the risk of some inevitable derangements, then, let us form an association, and enforce our right to work with both hands.”

Fortunately, Sire, an association has been formed in defense of left-hand labor, and the Left-handers will have no difficulty in demolishing all these generalities, suppositions, abstractions, reveries, and Utopias. They have only to exhume the *Moniteur Industriel* for 1846, and they will find ready-made arguments against freedom of trade, which refute so admirably all that has



been urged in favor of right-hand liberty that it is only necessary to substitute one word for the other.

“The Parisian free-trade league has no doubt of securing the concurrence of the workmen. But the workmen are no longer men who can be led by the nose. They have their eyes open, and they know political economy better than our professors. Free trade, they say, will deprive us of employment, and labor is our wealth. With employment, with abundant employment, the price of commodities never places them beyond our reach. Without employment, were bread at a halfpenny a pound, the workman would die of hunger. Now your doctrines instead of increasing the present amount of employment, would diminish it, that is to say, would reduce us to poverty.”

“When there are too many commodities in the market, their price falls, no doubt. But as wages always fall when commodities are cheap, the result is that, instead of being in a situation to purchase more, we are no longer able to buy anything. It is when commodities are cheap that the workman is worst off.”

It will not be amiss for the Left-handers to intermingle some menaces with their theories. Here is a model for them:

“What! you desire to substitute right-hand for left-hand labor, and thus force down, or perhaps annihilate, wages, the sole resource of the great bulk of the nation!”

“And, at a time when a deficient harvest is imposing painful privations on the workman, you wish to disquiet him as to his future, and render him more accessible to bad advice, and more ready to abandon that wise line of conduct which has hitherto distinguished him.”

After such conclusive reasoning as this, we entertain a confident hope, Sire, that if the battle is once begun, the left hand will come off victorious.

Perhaps an association may be formed for the purpose of inquiring whether the right hand and the left are not both wrong, and whether a third hand cannot be found to conciliate everybody.

After having depicted the Right-handers as seduced by the apparent liberality of a principle, the soundness of which experience has not verified, and the Left-handers as maintaining the position they have gained, they go on to say:

“It is denied that there is any third position that it is possible to take up in the midst of the battle! Is it not evident that the workmen have to defend themselves at one and the same time against those who desire to change nothing in the present situation, because they are heavily invested in it, and against those who dream of an economic revolution of which they have calculated neither the direction nor the extent?”

We cannot, however, conceal from your Majesty that our project has a vulnerable side; for it may be said that twenty years hence left hands will be as skilful as right hands are at present, and that then you could no longer trust to left-handedness for an increase of national employment.

To that we reply, that according to the most learned physicians the left side of the body has a natural feebleness, which is quite reassuring as regards the labor of the future.

Should your Majesty consent to pass the measure now proposed, a great principle will be established: All wealth proceeds from the intensity of labor. It will be easy for us to extend and vary the applications of this principle. We may decree, for example, that it shall no longer be permissible to work but with the foot; for this is no more impossible (as we have seen) than to extract iron from the mud of the Seine. You see then, Sire, that the means of increasing national labor can never fail. And after all has been tried, we have still the practically exhaustless resource of amputation.

To conclude, Sire, if this report were not intended for publicity, we should take the liberty of soliciting your attention to the great influence that measures of this kind are calculated to confer on men in power. But that is a matter that we must reserve for a private audience.



# 15

## DOMINATION BY LABOR

“**I**n the same way that in time of war we attain the mastery by superiority in arms, can we not, in time of peace, arrive at domination by superiority in Labor?”

This is a question of the highest interest at a time when no doubt seems to be entertained that in the field of industry, as on the field of battle, the stronger crushes the weaker.

To arrive at this conclusion, we must have discovered between the Labor that is applied to commodities and the violence exercised upon men, a melancholy and discouraging analogy; for why should these two kinds of operations be identical in their effects, if they are essentially different in their own nature?

And if it be true that in industry, as in war, domination is the necessary result of superiority, what have we to do with progress or with social economy, seeing that we inhabit a world where everything has been so arranged by Providence that one and the same effect—namely, oppression—proceeds necessarily from two opposite principles?

With reference to the new policy toward which commercial freedom is drawing England, many persons make this objection,

which, I admit, preoccupies the most candid minds among us: "Is England doing anything else than pursuing the same end by different means? Does she not always aspire at universal supremacy? Assured of her superiority in capital and Labor, does she not invite free competition in order to stifle Continental industry, and so put herself in a situation to reign as a sovereign, and conquer the privilege of feeding and clothing the populations she has ruined?"

It would be easy to show that these alarms are chimerical; that our alleged inferiority is much exaggerated; that our great branches of industry not only maintain their ground, but are actually developed under the action of external competition, and that the infallible effect of such competition is to bring about an increase of general consumption, capable of absorbing both home and foreign products.

At present, I desire to make a direct answer to the objection, leaving it all the strength and the advantage of the ground it has chosen. Keeping out of view for the present the special case of England and France, I shall inquire in a general way whether, when, by its superiority in one branch of industry, a nation comes to wipe out a similar branch of industry existing among another people, the former has advanced one step toward domination, or the latter toward independence; in other words, whether both nations do not gain by the operation, and whether it is not the nation that is outrivalled that gains the most.

If we saw in a product nothing more than an opportunity of working, the alarms of the protectionists would undoubtedly be well founded. Were we to consider iron for example, only in its relations with ironmasters, we might be led to fear that the competition of a country where it is the gratuitous gift of nature would extinguish the furnaces of another country where both ore and fuel are scarce.

But is this a complete view of the subject? Has iron relations only with those who make it? Has it no relations with those who use it? Is its sole and ultimate destination to be produced? And if it is useful, not on account of the Labor to which it gives

employment, but on account of the qualities it possesses, of the numerous purposes to which its durability and malleability adapt it, does it not follow that the foreigner cannot reduce its price, even so far as to render its production here at home unprofitable, without doing us more good in this last respect than harm in the other?

Pray consider that there are many things that foreigners, by reason of the natural advantages by which they are surrounded, prevent our producing directly, and with reference to which we are placed in reality in the hypothetical position we have been examining with reference to iron. We produce at home neither tea nor coffee, gold nor silver. Is our industry as a whole diminished in consequence? No; only in order to create the counter-value of these imported commodities, in order to acquire them by means of exchange, we detach from our national Labor a portion less great than would be required to produce these things ourselves. More Labor thus remains to be devoted to the procuring of other enjoyments. We are so much the richer and so much the stronger. All that external competition can do, even in cases where it puts an end absolutely to a particular branch of industry, is to economize Labor, and increase our productive power. Is this, for the foreigner, the road to domination? If we should find in France a gold mine, it does not follow that it would be for our interest to work it. Nay, it is certain that the enterprise should be neglected if each ounce of gold absorbed more of our Labor than an ounce of gold purchased abroad with cloth. In this case we should do better to find our mines in our workshops. And what is true of gold is true of iron.

The illusion proceeds from our failure to see one thing, which is, that foreign superiority never puts a stop to national industry, except in a particular sector, and in that sector only renders it superfluous by placing at our disposal the result of the very Labor thus superseded. If men lived in diving-bells under water, and had to provide themselves with air by means of a pump, this would be a great source of employment. To throw obstacles in the way of such employment, as long as men were left in this condition,

would be to inflict upon them a frightful injury. But if the Labor ceases because the necessity for its exertion no longer exists, because men are placed in a medium where air is introduced into their lungs without effort, then the loss of that Labor is not to be regretted, except in the eyes of men who obstinately persist in appreciating in Labor nothing but Labor in the abstract.

It is exactly this kind of Labor that machinery, commercial freedom, progress of every kind, gradually supersedes; not useful Labor, but Labor becomes superfluous, without object, and without result. On the contrary, protection sets that sort of useless Labor to work; it places us again under water, to bring the air-pump into play; it forces us to apply for gold to the inaccessible national mine, rather than to the national workshops. All the effect is expressed by the words, loss of power.

It will be understood that I am speaking here of general effects, not of the temporary inconvenience that is always caused by the transition from a bad system to a good one. A momentary derangement accompanies necessarily all progress. This may be a reason for making the transition gently and gradually. It is no reason for putting a stop systematically to all progress, still less for misunderstanding it.

Industry is often represented as a struggle. That is not a true representation of it, or only true when we confine ourselves to the consideration of each branch of industry in its effects upon a similar branch, regarding them both apart from the interests of the rest of mankind. But there is always something else to be considered, namely, the effect upon consumption and upon general prosperity.

It is an error to apply to trade, as is but too often done, phrases that are applicable to war.

In war the stronger overcomes the weaker.

In industry the stronger imparts vigor to the weaker. This entirely does away with the analogy.

Let the English be as powerful and skillful as they are represented, let them be possessed of as large an amount of capital, and have as great a command of the two great agents of production,

iron and fuel, as they are supposed to have; all this simply means cheapness. And who gains by the cheapness of products? The man who buys them.

It is not in their power to annihilate any part whatever of our national Labor. All they can do is to render it superfluous in the production of what has been already acquired, to furnish us with air without the aid of the pump, to enlarge in this way our disposable forces, and so render their alleged domination so much the more impossible as their superiority becomes the more incontestable.

Thus, by a rigorous and heartening demonstration, we arrive at this conclusion; Labor and violence, which are so opposite in their nature, are not less so in their effects.

All we are called upon to do is to distinguish between Labor annihilated and Labor economized.

To have less iron because we work less, and to have less iron although we work less, are things not only different, but opposed to each other. The protectionists confound them; we do not. That is all.

We may be very certain of one thing, that if the English employ a large amount of activity, Labor, capital, intelligence, and natural forces, it is not done for show. It is done in order to procure a multitude of enjoyments in exchange for their products. They most certainly expect to receive at least as much as they give. What they produce at home is destined to pay for what they purchase abroad. If they inundate us with their products, it is because they expect to be inundated with ours in return. That being so, the best means of having much for ourselves is to be free to choose between these two modes of acquisition, direct production and indirect production. British Machiavellianism cannot force us to make a wrong choice.

Let us give up, then, the puerility of applying to industrial competition phrases applicable to war—a false way of speaking that is only specious when applied to competition between two rival trades. The moment we come to take into account the effect produced on the general prosperity, the analogy disappears.



In a battle everyone who is killed diminishes by so much the strength of the army. In industry, a workshop is shut up only when what it produced is obtained by the public from another source and in greater abundance. Picture a state of things where for one man killed on the spot two should rise up full of life and vigor. Were such a state of things possible, war would no longer merit its name.

This, however, is the distinctive character of what is so absurdly called industrial war.

Let the Belgians and the English lower the price of their iron ever so much; let them, if they will, send it to us for nothing; this might extinguish some of our blast-furnaces; but immediately, and as a necessary consequence of this very cheapness, there would rise up a thousand other branches of industry more profitable than the one that had been superseded.

We arrive, then, at the conclusion that domination by Labor is impossible, and a contradiction in terms, seeing that all superiority that manifests itself among a people means cheapness, and tends only to impart power to all other nations. Let us banish, then, from political economy all terms borrowed from the military vocabulary: to fight with equal weapons, to conquer, to crush, to stifle, to be beaten, invasion, tribute, etc. What do such phrases mean? Squeeze them, and you obtain nothing. . . . Yes, you do obtain something; for from such words proceed absurd errors, and fatal and infectious prejudices. Such phrases tend to arrest the fusion of nations, are inimical to their peaceful, universal, and indissoluble alliance, and retard the progress of the human race.

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