

# COLLECTIVISM

AND THE

## SOCIALISM OF THE LIBERAL SCHOOL

*A CRITICISM AND AN EXPOSITION*

BY

A. NAOÛET

*Député de l'Aisne, ancien Professor Agrégé à la Faculté de Médecine de Paris*

TRANSLATED BY

WILLIAM HEAFORD



LONDON

SWAN SONNENSCHN & CO.

PATERNOSTER SQUARE

1891

## *Introduction.*

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This is the task which we have proposed to fulfil. Our little work will, therefore, be divided into four parts or books.

In the first book we shall set forth a resumé of the doctrine of Karl Marx and of his disciples.

The second book will be devoted to a refutation of the critical argument of the Collectivists.

The third will contain an inquiry into the advantages and inconveniences which the Collectivist system would present, if it ever came to be realised, and continued to exist.

In the fourth we finally examine the future of society according to the views of the Liberal School of Socialism.

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## PREFACE.

THE original title of this book is *Socialisme Collectiviste et Socialisme Libéral*.<sup>1</sup>

Though a convinced Socialist myself I confess that M. Naquet's book made me as a most concise and valuable contribution to the discussion of the social question. I felt that the scientific treatise in which M. Naquet attempts the confutation of Collectivism deserves full consideration at the hands of English Socialists. Hence the appearance of this translation, in making which I have not allowed the commentator to usurp the functions of the translator. My chief aim has been to reproduce the thought of the author, and not to add any meretricious embellishments of my own.

I cannot conclude without expressing my very sincere thanks to Mr. A. Larpent, whose counsel greatly lightened my task, and who has kindly compared my translation with the original.

WILLIAM HEAFORD.

April, 1891.

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# CONTENTS.

	PAGE
TRANSLATOR'S PREFACE . . . . .	vii
INTRODUCTION . . . . .	vii

## BOOK I.

*Analytical Exposition of the Collectivist Doctrine.*

IN ONE CHAPTER—THE CRITICISM BY KARL MARX AND HIS SCHOOL OF THE CAPITALIST SOCIETY . . . . .	1
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## BOOK II.

*Refutation of the Critical Argument of the Collectivists.*

I. THE THEORY OF VALUE . . . . .	11
THE IRON LAW . . . . .	19
PRODUCTIVENESS OF CAPITAL—INTEREST AND PROFITS . . . . .	29
LAW OF POPULATION . . . . .	31
PRIMITIVE ACCUMULATION . . . . .	4

## BOOK III.

*An Analytical and Scientific Criticism of Collectivism.*

I. A GENERAL SURVEY . . . . .	70
II. ON THE DISTRIBUTION OF WEALTH UNDER COLLECTIV- ISM . . . . .	78
III. ON THE PRODUCTION OF WEALTH AND ON PROGRESS UNDER COLLECTIVISM . . . . .	107
IV. ON LUXURY . . . . .	117
V. COLLECTIVISM AND LIBERTY . . . . .	127
VI. COLLECTIVISM WOULD BRING ABOUT THE STAGNATION, AND EVEN THE RETROGRESSION, OF THE HUMAN RACE	

## BOOK IV.

*Practical Reforms.*

I. THE TWOFOLD CHARACTER OF HUMANITY . . . . .	127
II. DIVERSE ANTINOMIES—THEIR SOLUTION . . . . .	145
III. SOLUTION . . . . .	

# COLLECTIVISM AND THE SOCIALISM OF THE LIBERAL SCHOOL.

## INTRODUCTION.

THE Collectivists, through the instrumentality of their different writers, foremost amongst whom Karl Marx deserves to be placed, on account of the vigour, clearness, and precision of his criticism, have indulged in a violent attack upon the existing system of society—an attack which, despite the numerous and fundamental errors with which it abounds, is none the less powerful, and is entitled none the less to a serious examination.

Their doctrine consists quite naturally of two parts—the one critical, and the other organic, embodying a plan of social re-organisation. Concerning this latter scheme the fathers of Collectivism—Lassalle, Marx—are sober in their details. They confine themselves to an impeachment of modern capitalism, and it is only through occasional glimpses that they exhibit to us their ideas on the future of society. It is to their commentators—

Deville, to Schaffle—that one must have recourse in order to maintain oneself with the ideas of the school as a whole.

Both parts—the criticism and the plan of organisation—lend themselves equally to a scientific refutation, and necessarily so, for the two parts hang together; and the one cannot be false unless the other is likewise false. Let us add, however, that the scheme of reconstruction raises by far the greatest of all the objections.

One of the points on which Collectivist-Socialism is essentially wrong, though the fact is ignored by its devotees—and this, too, in

## Introduction.

spite of its constant affirmations of materialism—is that it acts practically as a religion. This position, if quite logical on the part of the Christian Socialists, is absolutely illogical on the part of the Collectivists.

It is clear that if we start from the idea that there exists an immanent justice, and if we believe that, by the working of some universal law, everything must finally result in good, it will be sufficient to demonstrate the existence of evil in order to be justified in concluding that there exists an efficacious remedy.

But when one admits neither immanent justice nor providence, nothing remains to prove that it is possible to remedy the imperfections one discovers in nature; nothing is left to prove that these imperfections are not inherent in the very nature of things, and are not in accordance with the laws of the universe; nothing that vouches for the conclusion that it is possible to substitute, for the social system the Socialists so righteously denounce, a system which would be better.

The general law of the universe, without doubt, grievously wounds that sentiment of justice which, with the progress of civilisation, has slowly gained possession of the human mind, and which does not seem to correspond to any actual reality outside mankind.

This general law may be summed up in that precept, as terrible as it is fatal,—Eat one another.

Throughout nature, the strong destroy the weak, the great devour the small.

This rule everywhere prevails, even in the mineral kingdom. Place in a glass receptacle a saturated solution of any salt, put therein a large number of undissolved crystals of the same salt, and taking care that the crystals are of various sizes. Close the receptacle, expose it during several years to the changes of the seasons, and you will discover that, by a mechanical process, the operation of which can easily be explained, the large crystals will have become larger, whilst the small ones will have diminished in volume or entirely disappeared.

A terrible competition is waged in the vegetable world, and

plant stamping out another. The animals devour the plants, and devour other. Man himself, after ages of cannibalism, still devours the animals, and probably always will devour them. Where, then, can we go to find the principle of the right to live? Assuredly not in nature, since it contains not a trace of such a principle.

Why does such an arrangement of things exist at all?

To kill a sheep in order to eat it violates the idea we form of justice and overthrows the principle of the right to live—at least, so far as animals are concerned. Yet we cannot give up eating if we want to live at all, and we cannot sustain life except with dead bodies. Our life is bound up with the destruction of thousands of living beings, animals or plants, and, similarly, there is nothing to show that among human aggregations some of the imperfections which distress us are not inevitable.

Man, by this fact alone that he is the superior among beings, raises his mind to conceptions which—since they are absolute—have nowhere any objective reality, and justice might very well be one of these subjective conceptions. It is quite possible that this idea may be one of those which can never step outside the domain of imagination into that of fact. No doubt it has not been demonstrated to be so, but the contrary idea equally lacks demonstration, and the fact that we find it certainly impossible to realise our ideal in many cases, notably in the question of food, leaves the stage clear to those who maintain that the same powerlessness limits equally our efforts in many other matters.

It is not enough, then, for the Collectivists to establish that the society existing to-day is bad. It would, moreover, be necessary for them to prove that it is possible to establish a better society on the ruins of the old, and that this new society would be less charged with abuses and injustice than that which it would have superseded.

If they cannot prove that, all their criticisms, for that very reason, become mere declamation, and remain a dead letter.

It is incumbent, therefore, upon those who do not wish to pronounce an inconsiderate opinion, not only to weigh the objections



## *Introduction.*

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raised by the Collectivist School against what that school calls the capitalistic society, but also to look for what is founded amongst its hopes of re-organisation.

This is the task which we have proposed to fulfil. Our little work will, therefore, be divided into four parts or books.

In the first book we shall set forth a resumé of the doctrine of Karl Marx and of his disciples.

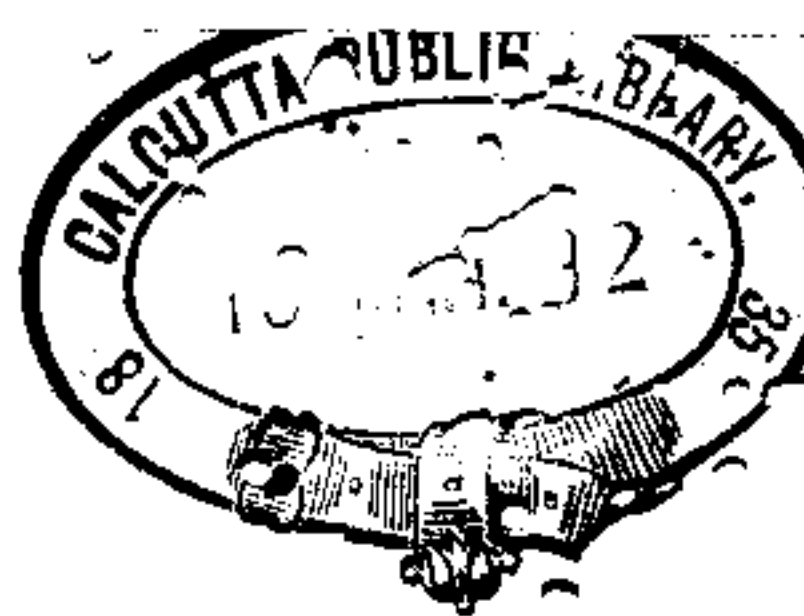
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# COLLECTIVISM AND THE SOCIALISM OF THE LIBERAL SCHOOL:

A CRITICISM AND AN EXPOSITION.

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## BOOK I.

*Analytical Exposition of the Collectivist Doctrine.*

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IN ONE CHAPTER.

THE CRITICISM BY KARL MARX AND HIS SCHOOL OF THE  
CAPITALISTIC SOCIETY.

THE principal work of Karl Marx is extended to a great length, and developed in a very methodical manner. It may, however, be rather briefly summarised. In fact, although the author thought it useful, in order to demonstrate the exactness of his propositions, to enter into a crowd of algebraical illustrations, these latter are useless to one who wishes to confine himself to an exposition of the leading features of the system.

Marx, therein agreeing with the orthodox political economy, admits that all objects the fruit of human labour have two kinds of value—their value in use, otherwise called the utility which they derive from their individual qualities and from the services which can be derived from them—and their value in exchange, by virtue of which, objects whose use is different—and for the very reason that their use is different—may enter into equivalence and be exchanged one with the other.

A coat, a pair of shoes, a hat, a pound of meat are use-values which are serviceable to man either as clothing or as food. From this point of view the one article cannot be substituted for the other. A coat cannot take the place of a pound of meat, any more than a pair of boots can be used in the stead of a hat.

But if I have two coats, one of them is useless to me. If some one else has two pounds of meat, he will not want to eat more than one. One of us lacks an use-value, the meat; the other is without another use-value, a coat. It is just at this moment that the exchange takes place. I give up the extra coat to some one who has a pound of meat more than he can eat, and this individual yields me his meat in return. Both of us gain by the transaction, each having relinquished something actually useless to himself, and obtaining some object for which he felt an immediate need. Before the exchange took place, one of us had nothing to eat, and the other had not a coat. After the exchange, however, each of us has found what is necessary for his protection against the inclemency of the weather or to nourish his body.

The question now arises—in what proportion will this exchange be transacted? It is at this point that the idea of exchange-value or social-value crops up. That idea may be defined as the proportion according to which exchangeable objects, that is to say, articles of commodity, will exchange one with another in the national market, or in the market of the world.

As, however, it would be difficult, if not impossible, to establish the equivalence of one commodity in relation to all others, the process adopted in chemistry, wherein a certain body is chosen as the standard by which to establish the equivalence of all the other bodies, is adopted in economics; and a special commodity is adopted—money—as a common measure of value to act as the means of exchange, circulation, and payment.

So far Karl Marx is simply an economist who analyses with far-sighted profundity of mind the laws that regulate human society. The same observation applies to him in his studies of monetary circulation, the development of credit, etc.

His divergencies from the orthodox political economy begin

when he claims to have discovered not only a relative but an absolute measure of value.

Value—by which we mean exchange-value, unless otherwise expressly indicated—is measured, according to the school of Marx, by the quantities of human labour necessary for its production. If it takes six hours' labour to make a pair of shoes and twelve hours in order to make a coat, a coat is worth two pairs of shoes, or, expressing the same thing in terms of money, the cost, the price of the coat will be twice that of a pair of shoes.

The value of gold, like that of every other commodity, is what it has cost to produce it. If we admit, as a hypothesis, that the extraction of a *gramme* of gold costs six hours of human labour and if we agree to take a franc as representing the value of one third of this amount, the statement that an object is worth a franc is tantamount to saying that its production has entailed as much labour as was necessary to extract the third of a *gramme* of gold out of the mine, in other words, two hours' labour. According to Marx, it is because the object produced has used up the same quantity of labour as the extraction of a *gramme* of gold, and solely for that reason, that it can be exchanged for that quantity of the precious metal, or is said to be worth a franc.

After having laid down these premises, the foundations of which we shall shortly examine, Marx studies the formation of what he calls surplus-value.

A capitalist employs a certain fixed sum in purchasing objects, and these he converts, exports, or warehouses. He afterwards sells them when they have gone through one of these three processes, and the amount realised by the sale exceeds what he had expended for the purchase, even adding the expenses incurred in their conversion, warehousing, and exportation. This excess of the selling price beyond the amount at which the articles were purchased represents the merchant's reward, the profit, the surplus-value, and this profit, unless it is eaten up by the capitalist in the satisfaction of his personal wants, will be added to his former capital, will cause it to increase by so much, and will become in its turn a fountain-head of fresh surplus-value.

Where does this surplus-value come from?

If, on the market, there is always an equality between the values exchanged, the commodities sold by the capitalist will only be worth what he has paid for them; and as he cannot sell them beyond their value, the sale price equals the purchasing price. The merchant will get back his money, nothing more and nothing less. He disbursed a hundred pounds in order to procure them, he recovers a hundred pounds in selling them, and not a penny more.

It cannot at all be supposed that on the market there exists any difference tending to the advantage of the buyer, or to that of the seller, or that the vendor has the curious privilege of selling his commodity dearer than it is worth. Moreover, if it did exist, such privilege would not in any way explain the economic phenomenon analysed by Marx. What is a purchase for one of the contracting parties is a sale for the other; and each of them is alternately buyer and seller. If, therefore, the man who exchanges sells above the price, and if this, too, is the general rule, he has similarly bought above the price when he was a buyer, and thus the end of it all is that the two differences are compensated. Instead of buying a commodity for a hundred pounds to sell it again at a hundred, he lays out a hundred and ten pounds in buying it, and gets back again a hundred and ten in selling it. The proportion of equality still remains, and nowhere does a surplus-value make an appearance.

Let us even suppose that one party has succeeded in deceiving the other, and has got more for his commodity than it was worth; even that does not explain the surplus-value. The deceiver becomes enriched, no doubt; there has been a change in the distribution of riches; but, after the fraud is transacted, society is neither richer nor poorer than before. The sum of existing values has not varied; it has only changed hands. A robbery has been committed; there has been no new production of value, that is to say, of surplus-value.

What is it, then, that can indeed produce the surplus-value?

After having deduced the impossibility of making out that

surplus-value is derivable from the process of sale or purchase, this is to say, after having eliminated the hypothesis according to which surplus-value would obtain its origin from the circulation of commodities, Karl Marx adds as follows:—

“There remains a final supposition, in other words, that the transformation proceeds from the use-value of the commodity, that is to say, from its use or its consumption. Now we are dealing with an alteration, an augmentation of the exchange-value. In order to obtain an exchange-value from the use-value of a commodity, it would be necessary for the man with money to have the good fortune to discover, amidst the circulation of commodities, and on the market itself, a commodity the use-value of which might possess the peculiar virtue of being the source of exchange-value, so that to consume it would be to realise some labour, and, as a consequence, to create some value.

“And in reality the man we are dealing with finds upon the market a commodity endowed with this specific virtue, which is called the power of labour or labour-force.

“Under this name we must include the whole of the physical or intellectual faculties existing in the body of a man in his living personality, and which he must put in motion in order to produce useful things.”<sup>1</sup>

One step more in the analysis, and the idea of the great German Socialist will appear in all its perspicuity.

Value is the representation of labour, and can only be produced by labour.

But, in order to work, two things are necessary: the labour-force, inherent in man, and the elements, instruments, or raw materials by which, or upon which, labour can be exercised.

Now, in the capitalistic society, labour-force is not found in the possession of the self-same individuals as those who own the elements on which, or the means by which, the labour has to be employed. The labour falls to the lot of the worker. The rest belongs to that of the capitalist.

And as the capitalist can no more produce without labour than

<sup>1</sup> Karl Marx. *Capital* (French Edition), p. 71.



the worker without the raw materials or the instruments of production, a contract on the market is freely entered into between these two individuals.

The worker sells for a limited time his labour-power to the capitalist. The latter, after having bought it, makes use of it as one does of any other use-value that one buys, in consuming it. Now, the way to consume this labour-force is to make it work. He therefore sets it to work, and to him belongs the value it creates.

We have now to examine what is the value of this labour-power, and what it is able to produce.

There is one fact which is undeniable, namely, that man can produce more than he consumes. If the case were otherwise no accumulation of wealth would have been realised, and no progress would have been possible.

Now, as, according to the Marxist theory, a thing is never worth but what its production has cost, this law applies to labour-power as to all the other commodities.

What does it cost to produce labour-power?

The totality of all the objects necessary for the sustenance of the worker during the time he has parted with his activities, augmented by what I purposely term the restoration of the worker, that is to say, by the cost of reproduction, in other words, the maintenance of the family during the same period.

Let us hypothetically admit that the daily sum necessary to secure the maintenance and reproduction of the worker is four francs. The labour-force, or the wages that pay for it, are, therefore, worth four francs. The law which regulates value does not permit the wage to raise itself above that amount. This limitation of wages to the amount absolutely indispensable to the worker in order to live and reproduce himself, proceeds from an unconquerable law, one which Lassalle has called the *iron law*.

Let us continue this supposition by admitting that, in order to earn the four francs, six hours of effort, of human labour are needed, and that the worker only works six hours. The wage will just simply be refunded; not an atom of supplementary value will be created, and no surplus-value will be produced.



But if, instead of working six hours, the worker works twelve, and if he gives to the capitalists, beyond the six hours of necessary work or paid labour, another six hours of supplementary work, or unpaid labour, that is to say, of *surplus-labour*, he thus entirely creates a fresh value of four francs, which belongs to the capitalist, and goes to increase his capital, and constitutes surplus-value or profit.

Karl Marx after this shows how the capitalist, in consequence of competition, and without, on that account, any reproach being due to the individuals who are subject to the law which regulates the economic relations, and which the capitalist is unable to evade, is always obliged to aim for the continual diminution of the necessary labour in its relation with surplus-labour; how he is compelled to strive to obtain every day a greater proportion of unpaid labour, and how, in short, he realises these ends either by prolonging the labour-day when the law does not step in to limit it, by increasing the intensity of labour, or by augmenting its productiveness by means of co-operation or of machinery. But all these are secondary developments which, though indispensable in a complete and masterly work like that of Marx, have no need to occupy us now. They do not bring any fresh light to assist us in understanding the doctrine we are analysing.

Thus man, being endowed with a productive power superior to his needs of consumption, can create more wealth than he destroys. On the other hand, in consequence of the difference that exists between those who own labour, and those in whom this labour-force resides, the latter are obliged to sell that commodity at what may be properly called its value, that is to say, for an exact equivalent of the consumption necessary for the worker. The excess in production over consumption belongs henceforth to the capitalist, who thus sees his fortune increase day by day, whilst the worker never succeeds in appropriating to himself—beyond what is strictly necessary for him to live and reproduce himself—the smallest particle of the values he creates.

Advancing still further, Karl Marx lays down that the consequence of machinery is to develop every day, more and more, the

at enterprises to the detriment of the small, to expropriate gradually the worker who owns the instruments of labour, then the small tradesman and, finally, the middleman, to the advantage of the great capitalist—the number of those owning capital thus acquiring a tendency to rapidly diminish, while the wealth of those who remain capitalists increases, and the number of paid workers, on the contrary, incessantly augmenting.

Marx, as we have said, does not impute any blame for this state of things to the individual capitalists who are under the fatal laws of competition. He recognises, moreover, the utility of capital, and considers the capitalistic era through which we are passing as a necessary phase in the development of society. But he none the less holds that, on the whole, capital is evolved to the prejudice of labour, and constitutes a great spoliation.

The chief of the Collectivist school foresees, it is true, one objection. In order to produce a primitive surplus-value, there must have been an accumulation anterior to that surplus-value, and this accumulation may have been, as the economists contend, the fruit of labour.

But this objection does not in any way incommode him. By means of an assemblage of facts often convincing but always partial, and lacking in generality, he strives to prove that the primitive accumulation was due to war, to conquest, violence, confiscation of property, to waste of the national property, and to the usurpation of the common lands. He adds, moreover, that even if it were due to labour, the fact would not touch his system. Capital being, in his eyes, a dead thing, and consequently unproductive, it is clear that, according to these premises, the primitive accumulation must have been promptly consumed and replaced by surplus-value pure and simple, that is to say, by unpaid labour.

Marx comes to the conclusion that all the instruments of labour should be common to all. The soil, the mines, the tools of all kinds, the raw materials, the means of storing and transport would all appertain to society. The only things that would be personal property are products intended for individual consumption, the tools that one can handle without the co-operation of

others, or any mechanical aid—for example, a needle—but under the proviso that none of these things would be made use of in order to perform labour for which a remuneration would be sought.

Society would thus be substituted for capitalistic industry for the production of all useful objects, which would be placed at the disposal of the consumers in the general storehouses.

How would the products, thus created, get afterwards into the hands of the consumers?

It is at this point that the modern Collectivist school separates itself from the old sentimental communism. With the old communists consumption, like production, was to be collective. Objects of luxury, or useless objects would, according to their views, cease to be produced; and every one would freely take of all indispensable objects as much as he desired. The doctrine was summed up in the motto, which Louis Blanc has made his own: "To each according to his needs, from each according to his powers." In a word, one would consume as much as he wants, and would work as little as he wishes.

It is clear that such a doctrine could not be upheld by minds so powerful and so scientifically constituted as those of Marx and Lassalle.

To admit that doctrine would be to launch oneself into the chimera of labour made attractive and production unlimited. As soon as one gives up such fantastic premises, the notion will not bear examination. If labour is an effort naturally repugnant to man, although existence cannot be conceived without it; if, moreover, the products of labour are not, like the air, to that degree unlimited that everyone can draw upon them without discretion and without restricting the consumption of others; if, in a word, work is painful and its products are limited, the absurdity of the metaphysical communism of the end of last century and the beginning of this must be apparent to the eyes of the least observant. Lassalle and Marx took care not to indulge in such dreams.

With these great thinkers, whose ideas we do not entertain but to whose great intellectual power we pay our homage, consumption ought to continue the same as it is to-day—personal, free,

limited by the labour of each individual. The only difference is that—capital, being no longer in a position to deduct, as its profit, a part of production—the objects produced would be more equitably distributed.

Metallic money would be suppressed, at least for the purpose of exchange within the Collectivist community. It would be replaced by labour-notes, which would become the true and only money of the future. Each worker would receive a certain quantity of these notes in proportion to the duration of the labour he furnishes—it being quite understood that this duration would be proportionally diminished to the extent of the sums representing the expenses of general utility, that is to say, the expenses which are now provided for by taxation.

Let us make a supposition in order to determine these notions; let us admit that a third of the total production is destined to meet that category of expenses which may be designated by the name of “collective consumption;” in that case, every worker who has given three hours’ labour would receive a note for two hours’ labour.

Karl Marx, as we have already said, is not explicit on these points; and we must go to his commentators—to Deville, and Schäffle—in order to know somewhat completely the ideas of the school on this head.

## BOOK II.

### *Refutation of the Critical Argument of the Collectivists.*

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#### CHAPTER I..

##### THE THEORY OF VALUE.

THE first objection that may be raised against the criticism of Karl Marx rests on his theory of value, which is totally anti-scientific.

According to Karl Marx, as we have seen, an object is strictly worth what it has cost to produce, and is worth nothing more. This conception is absolutely erroneous. The cost of production, if it enters as an element in the fixing of value, does so only in a subsidiary manner, simply as a matter of consequence, and leaves the chief and fundamental place to utility.

Dealing with the economists who say that "the value of an object is that which the consumer is willing to pay for it," Marx contends that this is simply a tautology, a vicious circle, as though one had said, "the value of an object is what an object is worth."

We shall presently see that, under an appearance of precision that dazzles at the first glance, the definition of Marx contains a tautology identical with the one with which he reproaches the current political economy.

An object is freely furnished by the hand of nature, say a fruit, wild game, a diamond. We may suppose that it had cost nothing to take possession of it. It presented itself at hap-hazard to the passer-by who did not seek it, and who only had to take it without labour. From the point of view at which the Collectivist school



places itself—and Marx is very positive on this point—this object is without value.

Yet who does not see that it will have a value, and that that value will be found in its scarcity, combined with its utility, and in the desire felt by a large number of human beings, to possess its use-value!

Will the Marxist school contend that this is to stretch the use of the term value beyond its proper sense? Will it say that to receive the price of a diamond found without effort is equivalent to a robbery? But if such is the case, to whom shall the diamond belong? Who will have the right to make use of it?

If there only exists but one diamond, and all the world wants it, we shall certainly have to find out to whom it will have to go, unless by a sentiment of equality we deprive everybody equally of its use.

The means of determining the one to whom the diamond shall appertain can be found only in the sum of the sacrifices which every one will consent to make in exchange for it, otherwise called the price which it will suit the purchasers to pay in order to procure it. This price will constitute the value of the gem, for it cannot be admitted that the price—that is to say, a value—would be given in exchange for a non-value.

It is therefore contrary to science to say that an object is without value if it has cost nothing to produce. This holds good, no doubt, if the Object is sufficiently general to be at the disposal of all, so that we can all consume as much of it as is necessary, without depriving anybody else; as, for instance, the atmospheric air, or the water in the river. But as soon as the object no longer sufficiently abounds to be at the disposal of all in unlimited quantities, it assumes a value, and that value is proportioned to its scarcity and utility.

Thus, water which has no price attached to it on the banks of the Leman, becomes of immense value in certain regions of Western Africa where it runs short. There, the negro who knows the whereabouts of a well, even though it be a natural well, takes more care not to reveal its existence than certainly we do in pre-



serving a flagon of the most precious of wines. Wine, which is a product of labour, is assuredly worth less with us than water in these unhappy countries.

Such is the first error of the collectivists in relation to value. The second they commit is of an absolutely different kind.

If it is not true that every object, gratuitously given by nature, is destitute of value, it is not less false to say that every product of human industry has some value. A product possesses no value if it is of no use to humanity.

A man who would amuse himself by breaking ice on the top of Mount Blanc, or of the Yung-Frau, would certainly accomplish a very troublesome labour. Nevertheless, he would not create any value, because he would not find any one who would consent to receive the product of such labour in exchange for his own.

Marx, however, willingly acknowledges this. "No object," he says, "can be a value if it is not a useful thing. If it is useless, the labour it embodies is fruitlessly expended, and consequently does not create value."<sup>1</sup>

Perfectly true; but how is it that the writer did not perceive that between the object which has a great utility and of which it is almost impossible for a man to deprive himself, and the object, the usefulness of which is nil, there exists quite a series of gradations? How is it that he did not see that it is for that reason impossible to consider all kinds of labour as being equally productive, though they are subject to the sole condition of not being entirely useless? How is it that he did not recognise that between the two extremes—the fantastic creature who breaks ice on a glacier, and the husbandman who causes wheat to grow—there is a series of intermediate workers, whose products are of various utility and involving values equally various?

Karl Marx lays down too marked a distinction between exchange-value and use-value. The two things are, it is true, different, but they are intimately connected. Use-value carries with it the demand for its enjoyment and creates exchange-value.

It happens, we know, that when a commodity of consider-

<sup>1</sup> Karl Marx. *Capital* (French Edition), p. 16.

able utility is rare upon the market, and for that same reason fetches high prices, the capitalists and labourers rush towards that branch of industry which concerns itself with its production because such industry promises them great advantages. Doubtless, in doing so, they bring about a glut in the produce, the price of which lowers for that very reason and enters into equilibrium with the price of other products. It follows, no doubt, as a result, that at the end of a certain time, and with everything the scarcity of which is not a natural necessity, the value of the various objects is brought back into something like proportion with the labour they have cost. But this fact is simply a consequence. The time expended in labour has become proportional to the value, but does not constitute the value. The latter remains independent of it, and has really no other measure than the usefulness of the object and the greater or lesser demand which is made for it.

The Socialists are, indeed, forced to agree with this to a very large extent. After having taken, in a general way, the time consumed in labour as the normal measure of value, Marx lays down the distinction between the labour socially necessary for the production of an object, and the labour actually expended by the worker for its production.

"The time socially necessary for the production of commodities is the time required by the work executed with an average degree of skill and intensity, and under conditions which are normal, under given social conditions. After the introduction in England of weaving by machinery, it needed perhaps half as much labour as formerly to form into a texture a certain quantity of thread. As for the English weaver, he still required the same time to effect this transformation; but, from the time this change occurred, the produce of the weaver's hour of personal labour represented no more than the half of a social hour of labour, and produced no more than a half of its former value."

The Socialists go further than this, and are led, despite themselves, by the logic of facts, to recognise the existence of a composite labour which is nothing but a multiple of common labour.

They even admit that, by reason of the fact that they will be more repugnant than others, certain kinds of labour will command a price above the average, and that the law of supply and demand will determine what the price will be. The passage in which M. Deville sets forth that theory deserves to be quoted:—

“It is, in the same way, by exciting self-interest that we shall secure the performance of labour especially dangerous or repugnant by an increase being made in the price of an hour of ordinary labour. It will be laid down, for example, that four hours devoted to these ungrateful tasks will be equivalent to six or seven hours of common labour. In all this, moreover, there will be nothing laid down arbitrarily; the difference, for the same gain, between the time employed in ordinary labour and that employed in disagreeable labour, will vary in accordance with the supply and demand of labour belonging to the last category.”

The fact is, the measure of human labour does not exist. And it would be impossible to make of labour the basis of value—socially considered—unless one possessed a measure of labour.

As regards steam engines such a measure exists. We know exactly how much fuel will have to be consumed in order to produce a given result, and we may compare the results accordingly.

Not so with man! Has any method yet been discovered by means of which it would be possible to measure intellectual labour, and state its equivalent in muscular labour?

If we compare the hard muscular labour which lifts heavy weights with the labour that may be called extremely nice, such as that of the watchmaker minutely seeking, with his magnifying glass in hand, to bring together the machinery of a watch—which of them uses up man the most?

If we take the intellectual labour of the poet, that of the mathematician, the labour of the man who devotes himself to works of imagination or deduction—which of them consumes most brain matter? Is it even certain that the difference in the amount consumed is the same amongst all men who perform these diverse categories of labour? Can we not admit that the born poet who makes verses, and excellent ones too, as a pastime, ex-

pende much less brain matter in reaching this result than another person having no poetic gift, who sits down to write a detestable poem?

This is surely the problem requiring solution before we can establish a measure of value based on labour—a solution which we unhappily ignore to-day, and which in every probability we shall ignore for a long time to come!

Not having any precise and fixed measure of labour except its duration, which signifies nothing, the disciples of Marx and Marx himself have been obliged to have recourse, in order to find a measure for it, to the law of supply and demand, that is to say, to utility.

To measure labour by its utility, after having made of labour the measure for the value of products, simply amounts to taking utility as the measure of value.

When the Socialists spoke about the suppression of metallic money and its substitution by labour-notes, they fancied that they had brought about an enormous change; they have really changed nothing but words.

At the present moment in France the third of a *gramme* of gold, or five *grammes* of silver [= one franc], being the common standard, and the law of supply and demand making known the quantity of one of these precious metals for which the producers are willing to exchange their commodities, the value of these commodities is expressed in a certain number of *grammes* of gold or silver.

To-morrow—supposing the Socialist state of things realised then—the value of commodities would be expressed in hours of labour. But these hours themselves having been determined by the law of supply and demand, absolutely nothing in society would have been changed, except the name of the measure.

The economists are guilty of tautology in saying: "An object is worth what its value is." Agreed! But Karl Marx commits another tautology when, after having said that the value of an object is represented by the number of hours of work which have been required to produce it, he is driven, in determining

what this number is, to say: "Labour is worth what it is worth."

The fact is there are many notions which are not susceptible of precise definition. For example, nature does not show us what matter is. All that it exhibits are certain bodies. But amongst these bodies so different we find certain properties which are common to them all, notably gravity. We then make an abstraction, and admit that there is something common, something identical in them all, and to this we give the name of matter.

We obtain thus the following succession of ideas:—

*Bodies—Gravity—Matter.*

We take a step still further, we measure the quantity of matter by the quantity of gravity—by the weight—and we complete our series, which thus becomes:—

*Bodies—Gravity—Matter—Weight.*

We know, however, absolutely nothing of what matter is in essence.

It is equally so, in the realm of economics, with value.

Commerce and industry exhibit to us only one thing—commodities. These commodities vary to infinity in their qualities and utilities; but in all their properties so multiplied and diverse there is one thing which is common to all—exchangeability.

Our minds then rise to the absolute conception of some one thing which exists in all things, and we call this something "value," in the same way as in physics we have called "matter" the abstraction made from the common and general properties of bodies.

Let us continue the comparison. Suppose we want to measure the quality of matter contained in a body by the quantity of gravity within it—not having any means of fixing the amount to an absolute degree, we confine ourselves to a comparison of one body with another, and we take an unit for the mensuration of



gravity, an unit of weight, viz. the weight of a *centimètre cube* of water at 4° centigrades. This unit we call a *gramme*.

We proceed in the same manner with value. We compare the commodities on the market according to the property they have of interchanging one with the other, and in order to make the operation easy, so that the results therefrom may be always susceptible of comparison, we take an unit of value, called a *franc*, which determines prices, precisely as we took an unit of weight to determine weights. The market place, with the law of supply and demand, acts the part of a pair of scales, and we have the two parallel series:—

<i>Bodies.</i>	<i>Gravity.</i>	<i>Matter.</i>	<i>Weight.</i>
<i>Commodities.</i>	<i>Exchangeability.</i>	<i>Value.</i>	<i>Price.</i>

Karl Marx's theory of value thus falls to the ground, and with it, as we shall see in an after chapter, the economic consequences he derived from it with regard to the part played by capital.



## CHAPTER II.

### THE IRON LAW.

WE have already made known what Lassalle calls "the iron law." It is the supposed law in virtue of which wages are strictly limited to the amount indispensable to the worker in order to live and to reproduce himself, without his being able, in a permanent and general way, to raise himself above that amount, or to sink beneath it.

I say, advisedly, in a permanent and general way, because, when one opposes a doctrine, it is only just to present it such as it really is.

The Socialists do not in any way deny that, at certain times and in certain places, wages may sometimes be able to rise above what is barely necessary. They admit that, temporarily, they may rise above, or may descend below, that point. The superabundance of hands in an industry, combined with a slackening of the demand, may, according to them, cause wages to fall even below what is necessary to the worker for his subsistence. But they recognise, on the other hand, that the inverse result is often produced in consequence of an increase in the demand, combined with a falling off in the supply. But they think—and M. Jules Guesde, who has published a very interesting little book on the subject, tells us so very clearly—that these are simply passing effects which do not in any way impair the accuracy of the laws applied to the consideration of economic phenomena extending over a certain time and spread over a certain area. You only have, as it were, in these passing effects one of those innumerable series or oscillations which, notwithstanding the swaying movement of the waves of light or heat, for all that constitute purely rectilinear rays of light and heat.

It is at this standpoint we must place ourselves in order to discuss the iron law, and from which I am led to attach no very great importance to the statistics which are placed before me, and which always have a special application to certain limited areas, and to periods no less limited.

For instance, M. Francis Laur put forward a little while ago, in *La Presse*, certain figures from which it very clearly follows that the wages of the workers in Belgian mines have increased since the last twenty years not only nominally, in money, but actually as well, by their purchasing power; in a word, that the Belgian coal-worker can procure for himself to-day, with his earnings, more articles of consumption than twenty years ago.

I take these figures of M. Francis Laur as correct, but I hold it as equally certain that they will not convince a single Socialist. I have not heard what M. Guesde has said about them, supposing he has read them at all, but I know what he would say as though I had heard him say it. There is no doubt that he considers these facts as purely contingent, like one of those movements of oscillation, the general effect of which is represented by the mean result. It cannot be doubted that he would not attach any signification to such figures.

This question of the iron law is, in fact, one of the fundamental notions of Socialism.

That law is correct, we should have to write over the labour-world, transformed into a social prison-house, the famous line of Dante:—

“Lasciate ogni speranza voi ch'entrate.”

This law says to the worker,—Give up every hope of enriching yourself. Whether you are industrious, or view work of any sort with loathing, whether you are saving or spendthrift, the same result will follow; capital will absorb all socially created surplus-value, and will only leave in your hands what is indispensable to keep you from dying of hunger. Even if the capitalists wished to act otherwise they would not have the power to do so. The

inflexible law imposes itself upon us irrespective of all human volition, unless the social organisation steps in.

It is clear, then, that, even if these conclusions were most strongly established, it would still remain to be proved that Collectivism must be necessarily superior to the system we have now. Nor does it necessarily follow, because a system is shown to be bad, that another may be better, nor even that it may be possible to find a better.

It would at least remain, as a result of these conclusions, that the detestation of the wage system would justify all kinds of investigations and excuse every Utopia.

But is the iron law true?

Yes, it is true in a limited and contracted sense, but it is not true with the character of universality with which Lassalle, Karl Marx, and Jules Guesde invest it.

In every period of time there is a minimum consumption, below which no worker, and hardly any object of charity, will descend. If we take this minimum as the basis of the law of wages, the law is true, and it may be said that purely detail modifications, tending either to raise wages or to reduce the price of commodities, do not exert any appreciable effect as a whole.

But the minimum consumption is not this *tantum* of nourishment, incapable of compression and extension, and necessary in order that the worker may live and propagate. The *tantum* representing wages is subject to extension and compression, and Lassalle himself, in order to lend an appearance of plausibility to his law, was obliged to say: "The *tantum* of subsistence necessary in a given time and under certain conditions."

Now, this innocent addition to the phrase overthrows the whole edifice, and destroys the drift of the law. It was, however, necessary, for if it had been suppressed, the absurdity of the proposition would have declared itself at once.

In these days the most unfortunate worker, even the poor wretch who goes to the London workhouses when work is slack, is better lodged and more substantially nourished than were our forefathers, when they lived by the chase, dressed themselves

in the skins of animals, and sheltered themselves in natural caverns.

Without even going back so far, we see to-day a German workman, a Belgian, or an Italian, content himself with less wages than a French workman, and in a still greater proportion, a Chinese workman lives on a salary infinitely smaller, for equal work, than that which an American demands. These differences between the minimum consumption with which men are content, or with which they have been contented in certain places and during certain periods of time, constitute the clearest and most absolute refutation that can be made of the proposition of Lassalle.

M. Jules Guesde, a strong supporter of this proposition, foresees the objection and strives to refute it.

If the Troglodyte consumed less than the actual worker of to-day, it was because he did less work; working less, he used up his organisation less, and in so doing, he had less need to repair it.

The argument is a trifle hypothetical. If the Troglodyte was not employed in a manufactory, nor even at a trade, it was, at least, necessary for him—by fishing, by the chase, or by gathering fruit—to procure for himself the fish, the game, or the fruit necessary for his sustenance. For that reason he had to traverse considerable distances, perform enormous feats of walking, and bring hither from afar the game he had killed or the fruit he had gathered. There is nothing to prove that the organic combustion—the human wear and tear required by these efforts, was less than that which takes place to-day with the metal-worker or the miner.

Possibly it may be so, but the proof has not been adduced, and it is a singular mode of reasoning to base one's argument on facts which have not been established.

M. Guesde will reply, perhaps, that neither has the direct contrary to his thesis yet been proved.

But, in these days! can he maintain that between Germans, Belgians, Italians, English, or French, such organic differences exist as would justify the difference in consumption by the workers of these diverse nations? Will he contend that in these instances there is presented to us something analogous to what

occurs in two machines, one of which burns more coal than the other in creating an equal quantum of horse-power?

He says as much so far as Chinese are concerned, and seeks thus to explain the very low wages that suffice for their existence. But here again he affirms and does not prove. To do this it would be necessary to show the organic and physiological differences which allow of this better adaptation of force. It would have to be established that if the Chinese consent to work for a smaller salary, it is because their organism, as a more perfect machine, permits them to produce a greater effect with a lesser expenditure of human fuel, and to better transform chemical action into mechanical or intellectual action, in which case this people would become the superior race destined to overcome us all; and it would have to be seen whether all this, on the contrary, is not owing, purely and simply, to the fact that, being less refined and having more modest tastes, they content themselves with much less than our European or American workmen; whether, in a word, their inferior consumption is a consequence of the greater perfection in their case of the human machine, or is nothing but a result of their volition.

But M. Guesde does not disturb himself with all these things. He has need of a law, and he lays it down. In the examination of facts he finds obstacles in his path, certain phenomena which are at variance with his law. But this fact does not stop him one minute. He makes some sort of hypothesis to explain the disturbing agents; then, having presented to us the hypothesis he has made as a demonstrated truth, he goes on his way. Nevertheless, this hypothesis—with which, strictly speaking, he may indulge himself, when the question concerns the Chinese, on account of the enormous distance which separates that race from our Caucasian races—can it be conceded to him in regard to the people who inhabit Europe?

Where, then, has he found the organic differences, of which he speaks, between the French, the Belgian, the German, the Italian, and the Spaniard?

At the most all he could say would be that it is the action of



the climate—that in warm countries there is less need of heat-giving foods, and that, as a consequence, the Italian and the Spaniard require less to eat and to drink than the Frenchman.

This would be true on the one condition, however, that the Italian were employed in Italy or the Spaniard in Spain. As soon as they both come to Paris they are placed in the same climatic conditions as the Parisian workman, and physiologically require to consume as much. If they consume less it is because what the Parisian workman receives is not the *tantum strictly necessary* to maintain life and to allow for his reproduction. He receives a sum superior to this minimum, seeing that the Spaniard and the Italian transplanted at Paris are contented with a smaller salary, and yet live.

In the case of the German and the Belgian the proof is much more striking still. The German inhabits a country colder than France. It is the same with the Belgian. Being in need of the same quantity of food as we do to build up again his tissues and to produce the same quantity of useful labour, he requires more foods of a heat-giving kind than we do, seeing he has to struggle against more severe seasons. How, then, does it happen that the Belgians and Germans maintain themselves on a smaller amount if, as Lassalle, Karl Marx, and Jules Guesde affirm, the sum which the Parisian workman receives represents the minimum necessary to a human being in order to live while producing a certain amount of force?

M. Guesde, in analysing the phenomenon of wages, recognises, as we have shown, that certain oscillations take place, that at certain moments the remuneration of the workman may be raised above the minimum fixed by the iron law, but that, as a set-off, it falls below that minimum, whereby an equilibrium is re-established.

That the remuneration should rise above the minimum is conceivable, but it seems to me difficult to admit that it can go below it. To affirm that the salary represents an irreducible minimum, and then to declare that it sinks down lower still, appears to me a singularly vicious mode of reasoning.

This argument reminds me of the old story of the woman to whom the devil had promised one day to fully accomplish the two wishes she might prefer.

"Show me the most faithful of all the lovers existing at this moment?" said she.

The devil obeyed, and brought to her the pearl of love that she desired to know.

"Very well," she said. Then, after having well inspected this ideal lover: "Now show me a lover more faithful still?"

The devil was caught, and was unable to grant the second wish.

The Socialist writer, it is true, gets out of the difficulty in a very ingenious manner. The minimum of necessary consumption is an average, and does not represent a fixed quantity for all individuals. When wages are reduced and fall below the average minimum, there are certain natures more robust, stronger, and more capable of supporting long privations. These alone resist in such cases; the weakly die, and the reduction of the population has the effect of raising wages and bringing them back to the indispensable minimum.

Theoretically the reasoning holds together, but the facts are decidedly against it, for we do not observe that the rise in wages, following upon a heavy fall—a fall analogous to the one which took place in the wages of the cotton-workers during the War of Secession in America—is preceded by one of those epidemics which decimate populations, as we should expect from the explanation of M. Guesde.

Moreover, there is an argument to which, in my opinion, no reply can be made. The consumption of luxuries—and I understand by this word the consumption of useless or harmful things—has taken root amongst the workers.

I do not speak of alcohol, which is perhaps more a poison than a food, but which is, after all, a food, and concerning which there may be some equivocation. I will only speak of tobacco. The question is discussed whether tobacco is injurious or not. Some hold that it is harmless. Others hold it to be the pronounced

enemy of the human race, and there is perhaps some amount of exaggeration on both sides; but no physician, no physiologist, has ever pretended that tobacco is useful, that it preserves health, that it facilitates the organic functions, or multiplies muscular power. The least that one can say is that it is useless; that it serves to no purpose; that it is a consumption with which one can dispense.

And, nevertheless, nearly all workmen smoke; if they smoke it is because they can economise upon the consumption that is useful and reproductive wherewithal to give themselves the luxury of this unnecessary consumption. They would just as well, if they wished it, be able to put in a money-box the pence which they spend for the purchase of tobacco. In a word, they receive more than the *tantum* which is indispensable for life. The Collectivists will reply that the use of tobacco has become a necessity, and that, if that need disappeared, wages would decline. Such a contingency may be possible, and it is in this that the iron law is true, provided that you limit its signification; but it remains none the less established that the minimum consumption, which the iron law permits, is capable of indefinite extension, and allows the worker to create new wants for himself by means of fresh means of enjoyment, and to take a larger part every day in what Malthus has called the banquet of life.

An argument, equally convincing, is suggested by the rest which the workers give themselves without thereto being compelled. The Parisian workman who takes a holiday on Monday after having done no work on the Sunday, the lazzarone of Naples who formerly struck work all the week, after having done a single day's labour, demonstrate that the day, or the days, on which either of them worked have been paid for beyond the amount required for their maintenance.

The story is told of a traveller passing through Naples during the reign of the Bourbons who, seeing one of the lazzaroni stretched near the door of a palace with his head in the shade and his feet exposed to the sun, asked the fellow how much he had earned the last time he had done any work.

The lazzarone indicated a certain number of *tari* and *baiocelli*.

"But," said the traveller, "if you had worked all the week you would have been able to procure for yourself a pair of boots."

"I am not such a fool!" replied the Neapolitan. "I should have become accustomed to them, and it would have been necessary for me to always work to obtain others when the first pair would have been worn out."

Such is the iron law. A breach is made in it by the innumerable savings-bank accounts, which, in France, are opened by the working-class, by the sums, individually small, but great as a whole, which that class saves and invests every year, and also—as M. Paul Leroy-Beaulieu points out—by the "war fund," which the working-class associations bring together in order to subsidise the strikers. If the iron law were true, having the inflexibility that Lassalle and Karl Marx—by distorting a relative truth formulated by political economy—wish to attribute to it, all progress would have been impossible. The progress that has been made, whatever one may say to the contrary, in dress, in housing, and in food, afford the most crushing criticism that one can give of the iron law.

This we know for certain, that under given circumstances, with given customs and fixed wants, there may be established a certain minimum consumption around which wages oscillate; and there is no doubt that from this position we may start in throwing a certain light on the reforms which, at the first blush, seem important, but which, made clear by that light, appear afterwards of no value. But between that point and the conclusion that this minimum consumption must be an organic limit at once incompressible and inexpansive, there yawns an abyss, and this abyss will have to be bridged before the Collectivists can place the scaffolding upon it to support all the consequences they erect on this shifting soil.

In reality the consumption of luxuries descends every day lower down into the social strata, it permeates the worker more and more, it creates for him new wants, and raises the so-called necessary minimum.

The condition of the workman is improving. Labour is no

longer that hell on which is written,—“*Lasciate ogni speranza ;*” at the most it is a purgatory from which, simply by the play of natural forces favoured by good legislation, one can and should hope to escape.



### CHAPTER III.

#### PRODUCTIVENESS OF CAPITAL—INTEREST AND PROFITS.

BESIDES their error concerning value and the law of wages, Marx, Lassalle, and, before their time, Proudhon, have committed another error, still graver perhaps, on the productiveness of capital.

. According to Marx, what he calls fixed capital, that is to say, non-movable capital invested in machines, out-houses, furnaces, or capital employed in fuel or raw material, only has the right, when the produce comes to be distributed, to be refunded the amount sunken, and not to any interest or any part of the net produce. Capital in his eyes, and in the eyes of the Socialists in general, is unproductive; labour alone produces, and therefore should alone gather the harvest.

If this be true, we may ask ourselves the question, for what reason would man have endeavoured to create capital? It is much more simple to take one's rest and enjoy oneself than to struggle in order to build houses, to construct sheds, to put together machines, to extract coal from the bowels of the earth, and to transport the same to places where industry requires it.

The fact that man performs this labour shows, therefore, that such labour is useful, and that the sheds, furnaces, machines, the fuel that sets them in motion, the purchasing in large quantities of raw material, enable man to obtain a greater quantity of use-values than if he had only been able to work with his ten fingers.

Now, if they possess utility and augment the importance of the produce, it is absolutely legitimate and quite just that they should first of all deduct a quota from it.

M. Paul Leroy-Beaulieu, in his work entitled *Le Collectivisme*, makes on this subject an ingenious supposition. Admitting, he says, that the machine were a living, intelligent, conscious, and free being, no one would dispute its right to be remunerated for

its efforts. Now, the situation is the same whether the machine is able to live, reason, struggle, and treat for itself, or is only the prolongation, so to speak, of the man who has created it and to whom it belongs.

Certain it is, however, that on a purely metaphysical question of justice one could reason forever, and heap up subtlety on subtlety, and sophism on sophism. But in the social order we have no right to indulge in metaphysics.

What we have to consider, in all things, is the general interest. This being so, the first question which suggests itself is,—Is capital under its various forms useful? Does it increase production, that is to say, the general wealth?

To this question the answer is affirmative and universal. Marx himself recognises the beneficent action of capital. He wishes to socialise it; but he does not want it to be destroyed, and would consider a return to the system of individual production of former times as a frightful retrogression.

Everybody being agreed on this point, we may now put a second question: Capital being useful, is it well to encourage its formation, that is to say, is it well to stimulate saving?

Unless logic is an empty word, the affirmation on the first point carries with it an affirmation on the second. We could not conceive a society which, judging a thing useful, and even indispensable, would refuse to push forward its production.

This being so, what is the best means of stimulating the production of capital? Shall we remunerate it, or deny it all remuneration? It would be puerile to stop to discuss a subject so evident in itself. The best means is to remunerate it.

Seeing that justice and injustice result no longer, so far as concerns the modern philosopher, from some pretended decrees of some I know not what hypothetical providence, but from the general interest; everything being just which subserves the interests of society, and everything being unjust which tends to loosen the social bonds and lead man back to primitive savagery; then, if capital is socially useful, if, therefore, it is well to stimulate its creation, and if the means of doing so is to remunerate it,

it is clear that the remuneration of capital is just and legitimate, because it is in conformity with the interests of the social body.

Supposing capital were not remunerated, who then would strive to cause its production? A man would no doubt build a house to shelter his family and himself; but he would not waste his trouble in constructing another one.

All he would do at most, providing he was more skilful at that kind of work than at any other, would be to build more houses so as to exchange them. But that exchange could not take place except between persons owning certain equal values. Whoever could not buy a house would be obliged to sleep under the blue sky, for no one would consent to lose his time in building dwellings which he would not inhabit himself, and could not exchange, and all this for the sole pleasure of lodging somebody else in them.

If, indeed, this were done, we should no longer find ourselves within any economic category, nor even in a position to obey the dictates of justice. We should be exclusively guided by fraternity and charity. Now, it is superabundantly shown by the example of all times and of every place, that if, exceptionally and at given moments, fraternity can accomplish great things, it is too exceptional and too intermittent a sentiment to enable us to build anything upon it.

Proudhon contended that humanity, confronted during the ages with the dilemma, "Fraternity or Death," has never ceased to answer,— "Death."

There is here some exaggeration in the picture of mankind preferring rather to commit suicide than to help one another. But there is, nevertheless, a substratum of truth in it, and that substratum consists in the fact that, whilst fraternity may become a considerable element of social impulsion in certain particular circumstances, it can never become the basis of a social edifice.

To take up again the hypothesis which for a moment we put aside,—if men were prohibited from deriving any interest from capital they would not build any more houses except for themselves or for those who would be able to pay them with capital, and the greater part of the population would thus be reduced to

the extremity of living in the open air. Not only decency, dignity, and material well-being would thereby be affected, but material production also. A victim to the inclemencies of the seasons, man would be less able to labour, and would more often be ill; and, finally, though paying no rent, he would be much less wealthy than he is to-day.

Proudhon, although the great enemy of interest, recognised this in a certain measure. As long, said he, as the capitalist renders a service in lending his capital he ought to be rewarded for it. But, he added, if by any circumstance whatever I can do without this capital, there is no more need for me to pay for a service of which I have ceased to have need. Nothing is more just. But Proudhon, who had pompously taken as his motto: *Destruam et aedificabo*—"I shall destroy and shall build up again," has, in fact, destroyed little, and built up nothing. We hope to show further on that the Collectivists have not done more in the way of reconstruction. But we should be anticipating in grappling here this side of the problem, which will be thoroughly dealt with in another part of this work.

Here is a remarkable thing! Even the laws of physics themselves make a breach in the hypothesis of the unproductiveness of capital—a hypothesis to which, notwithstanding eternal protests, the entire history of mankind utters a long reply.

If capital were unproductive and personal effort alone produced, all economy, all saving and accumulation would be impossible. To endeavour to produce a labour equal to two, with a force equal to one, would be to give oneself over to the sophism of the inventors of perpetual motion.

If, then, there were no productive element outside human labour, the worker would with great difficulty produce enough day by day to live upon during the morrow, although there would be reason to ask oneself,—how did he manage to live the first day.

Man conserves, economises, hoards, or capitalises because nature from the first offered to him a gratuitous capital—fruits, animals adapted for food, or animals whose strength he utilised. It is thanks to this capital gratuitously furnished by the earth that,

placed in possession of a means to produce more than he consumes, he has been able to save, and augment every day by his efforts the extent of this primitive capital, and together with it the importance of its production.

Thus, until we shall have found, as Proudhon hoped, a means of doing away with capital, or at any rate with the capitalist, it will be necessary to remunerate the latter.

But is this remuneration so excessive as the Collectivists pretend it to be? Is it true that capital is an octopus by which all the surplus-value of a country is pumped out?

We have here a veritable phantasmagoria which has led astray many minds.

Properly speaking, capital is an abstraction. The things that have a real existence are the capitalists and the actual capital they employ.

What is the position of these last? Do they really get the whole of the profits of which their capital has been the principal productive element? This is certainly very far from being the case.

Competition obliging every capitalist to content himself with the least possible profit, the capitalist is compelled, in order to retain his customers and the outlets for his commodities, to constantly diminish the selling price, that is to say, to leave to the consumer the greater part of that surplus-value which is the spectre of Karl Marx and his followers.

Now, the consumer is everybody, and as, in the very immense majority of cases (I beg to be forgiven such an incorrect style; immense by itself would not suffice to express the extent of that majority), the consumer is at the same time a producer, the greater part of the profits come back to the worker in an indirect way—if not in the form of higher salaries, at least in that of use-values that are more numerous and better adapted to his wants. M. Paul Leroy-Beaulieu, in his refutation of Collectivism, has admirably understood this, and excellently demonstrated it.

Everybody recognises that if, with the worker as with the capitalist, there is an average skill, that very expression indicates that individuals are generally below or above such average.



Individual profits are derived, above all,—leaving aside accident or chance, and what Henry George and Lassalle call fortuity,—from that variety in skill which differentiates individuals. And concerning fortuity we shall say nothing, because there is a contradiction between the theory according to which these benefits are held to be the result of mere chance, and the theory of Karl Marx, which makes it flow, according to a fatal law, from the very foundations of capitalistic society.

A workman employed at piece-work finds out the way to produce things better and quicker than his companions. He obtains a higher salary than they; there is thus for him an individual profit. A manufacturer invents, it may be, a new machine or a new arrangement in the workshop, which diminishes the amount of the net cost. Even in lowering a little the price of his commodities, so as to augment the sale, he gains more than his competitors. A profit is obtained; a private fortune is built up.

These private profits subsist for the worker as well as for the capitalist as long as the patent, if patent there be, has not dropped and become public property, or as long as the method is not discovered. But patents do not have a very long existence. Trade methods are very soon found out, and thus, as every competitor is in possession of the same trade processes, the price of commodities fall until the moment comes when the profits of each are once more brought back to the point they were at before the invention, *viz.* the minimum which competition allows to subsist.

If there is a surplus-labour—to employ the expression of the German Socialist—the greater part of it does not benefit the capitalist but the whole of society, and returns to the workman in a roundabout manner, and by that means ceases to be surplus-labour.

On the other hand, if the iron law is correct—and it is correct within given limits, and rather narrow ones, of time and locality, taking as a basis an actual minimum consumption, which is in no wise an absolute minimum—then the totality of taxation weighs down upon capital. It is right, moreover, to recognise that the Collectivists proclaim this. M. Guesde affirms it in his law of

salaries, and rejects, with the most profound disdain, all idea of an amelioration of the lot of the workers by means of fiscal reforms.

Many, superficial minds will raise an outcry at such an assertion. They will protest by pointing out the taxation on consumption which weighs more heavily on the poor than on the rich.

A good Collectivist laughs at these criticisms on our fiscal system. If it is true, in fact, that, at each period—and I take here the economic truth, instead of taking the erroneous affirmation of Socialism—manners, customs, the progress of art have created a minimum consumption below which some individuals will consent to descend in order to economise—a position which will be the source of saving—but below which minimum, or more correctly, below the salary which represents it, no one will consent to work, it necessarily follows that the worker cannot participate in the public burdens. At most, the extent of these burdens weighs down upon him in preventing the minimum consumption from being raised as quickly as it would be without them. But that is a general effect which the taxes determine, whatever may be their character and assessment.

If a tax is imposed on articles of primary necessity, salaries go up in proportion, and, in the last analysis, it is the capitalist who pays it by way of repercussion.

If the tax is collected directly from capital or from income, salaries go down, and the worker receives a sum minus what, in the contrary hypothesis, represented the tax. In both cases he is able, with what he receives, to procure for himself the same quantity of necessary objects, and as it is this, and not the amount of money given to him in payment of his work, wherein consists his real salary, one may say that the wage-winner is only very little affected by the assessment of the tax. The inequality of that assessment is very appreciable amongst capitalists. Of two shareholders living exclusively on their dividends one will be more affected than the other by a bad division of the public burdens, and may legitimately protest against the taxes which are imposed on various modes of consumption. But the worker is

here protected by what amount of truth there is in the iron law. Doubtless he can be affected if the public burdens become heavy enough to fetter industry, because in that case the social life is injured; but up to that point it holds good that, whatever character the tax may assume, it is, in its integrity, taken from the profits of capital. In the last case itself, it is not the character of the tax, but solely its general quantitative importance which may, in other respects, affect the worker. And it is proper to add that, if in recognising this truth we yet consider it as subject to certain limitation in its effects, these effects ought to be considered as absolute—this is what M. Jules Guesde does—by the Socialists who profess that the law of wages is truly an iron law.

In France, actually 12 per cent. of the total production is absorbed every year by the public expenses, and this reduces in a large proportion the surplus-value of capital. M. Jules Guesde has endeavoured to determine the proportion of what he calls surplus-labour. He reasons in this way: the raw materials amount to 4,941,000,000 francs, fuel to 191 millions, and surplus-value to 1,994 millions. Of these 1,994 millions, 980 are distributed in salaries, and 1 milliard 14 millions would represent profits. He thence draws the conclusion that, in an average day of 12 hours, there are 5 hours 44 minutes of paid labour, and 6 hours 6 minutes of surplus-labour, which would give, as an average, for each worker, 691 francs of unpaid labour per annum.

It is plain that all this galaxy of figures is altogether built up on the idea that capital is unproductive, that labour alone produces, and consequently that all the produce should return to it.

It is amply established that this conception is false; but if it were true, to examine the figures of M. Guesde would suffice to demonstrate their incorrectness.

How does the French Socialist establish his figures about surplus-value? By differentiating the sale price from the net cost of the objects obtained by industry. Though, whilst he takes a sale price which is exact, he takes a net cost which is erroneous, and thus throws back into the profit account what ought to figure in the general expenses.

M. Guesde, in fact, only makes the raw materials and the fuel figure in the general expenses. A better economist than he—Karl Marx—reckoned amongst these expenses the maintenance and paying off of the machines, which become worn out in the course of their work, and cannot be repaired or replaced by their own act. And these last expenses, of which M. Guesde does not take any account, are not the only ones. There are also the expenses of commission, brokerage, insurances, correspondence, travelling, depreciation, bad debts, bankruptcies, expenses which would all bring down the real profits from 1,994 millions to a figure of three, four or five hundred millions at the most.

M. Paul Leroy-Beaulieu, from whom we borrow the figures of Jules Guesde and their refutation, gives, besides, a proof more precisely to the point than all those which can be derived from the most subtle reasoning. This proof consists in the figures, compulsorily published every year, relative to the management of public companies.

At Fives-Lille, for example, from 1880 to 1883—a period of great activity—the company distributed 720,000 francs to the shareholders, on which the Revenue levied about one tenth. There remained, therefore, to the shareholders, numbering 24,000, hardly 660,000 francs to divide amongst themselves or nearly 27.60 per share.

The works employed, in the course of the years 1880-1883, from five to six thousand workmen. If you divide the profit—that is, 640,000—by the smallest of these figures, 5,000, you find that this profit corresponds not to 691 francs for each workman, but to 132 francs; the two last figures are wide apart.

Take another example: in the year 1881 the 20,701 workmen employed in the coal mines in the Department du Nord received 20,529,406 francs in wages, whilst the shareholders had only 2,751,914 francs to divide amongst themselves, or, rather, 133 francs per annum for each worker, instead of 691, and this, too, without making allowance for the 10 per cent. deducted by the Revenue, which would bring back the figure to 120. M. Leroy-Beaulieu quotes, with regard to this point, the following considera-



tions of M. l'Ingénieur Pernolet which, with his permission, we shall quote in our turn :—

“The 20,701 workmen in question have had to give, in 1881, at the rate, at most, of 300 working days per annum and per workman, 6,210,300 days' work, which were paid 20,549,406 francs, that is to say 3·306 francs per diem on the average for the different categories of workers. On the other hand, ~~the~~ 2,751,914 francs, paid to the shareholders as the reward of capital, correspond to 0·443 francs for each working day, that is to say, the total coal-mining exploitation in the Department du Nord may be considered as having employed 20,701 workers of all kinds, who, receiving on an average 3·30 francs each working day, would have devoted, of that amount, 0·443 francs to the creation, preparation, maintenance, renewing, and management of everything which constitutes the industry in question, all which things are risky at the beginning, unproductive for a long time, sometimes ruinous, but always necessary to insure to the population living on that industry the regularity and the security of their existence.”

These figures are perhaps optimistic because, taking into account the salaries and benefits distributed under the form of dividend, they say nothing either of the reserve funds, or of the percentages distributed to the managers, all which are equally taken from the general produce, and leave to the profit properly so called, according to these figures, 14·40, a larger part than M. Pernolet ascribes to it. It none the less remains that the profit, even if one considers it as absorbing the totality of that sum, only represents 13·40 per cent. instead of representing 103·50 per cent., which is the proportion we should have to deduce from the calculations of M. Guesde.

This, too, is not all; this surplus-value, already so reduced, which goes to the capitalist, suffers other reductions still. One of these reductions is due to risk. What! risk? the Collectivists will say. And they will revive the declamatory utterances of Lassalle on contingencies, chance, and fortuity.

But yet, risk, besides the very legitimate part it plays in society in stimulating production and progress—a subject to which we



shall have to recur—deserves also to be considered as one of the elements of the problem when one is calculating the toll levied by capital on the total production of a country.

In the Utopian idea of socialised production there would be, according to the years, increase or diminution of produce; but never would there be either gains or losses in the ordinary acceptation we ~~attach~~ to these words. Therefore there would never be any risk.

But in our mode of production all capitalists do not become rich. Social capital, doubtless, goes on ceaselessly increasing, but much private capital is destroyed and annihilated.

Hence it follows that one arrives at a false estimate from a general point of view, though a correct one in regard to such and such particular case, when, from the profits of one capitalist, one endeavours—as, moreover, we have just done in reference to Fives-Lille and the coal mines in the Nord—to deduce the proportion of surplus-value deducted annually by capital.

Mr. A, in causing his workmen to labour twelve hours, becomes rich. Just so. But Mr X, his neighbour, although imposing the same amount of labour on his men, becomes ruined.

If, then, at the end of the year, one wished to form an account of the degree of social accumulation of capital, it would be needful, after having added up all the surplus-values produced by Messieurs A, B, C, . . . etc., to diminish the total by all the minus-values resulting from the industrial disasters of Messieurs X, Y, Z, etc.

If this statistical labour could be done we should perceive that, as a result of those risks which the Collectivists never speak of, the total amount levied by capital does not approach the proportion it assumes in the inflamed imagination of the Socialists.

Doubtless there will be inequality between the capitalist who will have sunken, and he who will have prospered, without there ever being the power to eliminate the element of chance in these effects. Without doubt it will be permissible for the ruined capitalist to bemoan over what he, too, will call the anarchy of competition. But when one considers the workman and the problem of the

distribution of riches between labour and capital, these individual inequalities between the capitalists become of no interest, for the workman has only to concern himself reasonably with one thing, viz. what falls on the whole, socially speaking, to the total social capital, and he has only to take such a matter into account in order to arrive at a more exact computation of this quantum.

On this head, then, we find a new diminution—one which, it is true, we cannot estimate, but which, for all that, is not less certain—of the quota accruing to capital in production. If, then, we have just now charged M. Pernolet with making out a better case than it really is for labour, and doing injustice to capital in not taking into account the reserve funds and percentages of the managers, we find, as a set-off to that error, a counterbalance which outweighs it, when, instead of taking into consideration a private industry, we consider the whole of the national industry. In reality, M. Pernolet only calculated the profits in a prosperous industry, and said nothing of those which, during the same time, have sunk.

Are we at the end of all these abatements?

Not yet.

Outside what one may call the general expenses of consumption, to which the taxes are devoted, a society is called upon to create for itself a reserve fund.

A limited company which would realise no reserve funds would be rapidly reduced to disaster and bankruptcy. It would be the same, *a fortiori*, with society at large. It is necessary to foresee the bad years, and the harvests rendered insufficient by circumstances independent of human action. These reserve funds to-day fall upon capital. Karl Marx himself confesses it:—

“Moreover,” he says, “we must not forget that a part of the actual surplus-value, that which is devoted to the formation of a fund of reserve and accumulation, would be reckoned then (in a Socialist state) as a necessary labour.”<sup>1</sup>

But this reserve fund may be more or less extended, and the interest of mankind requires that it should be much extended.

<sup>1</sup> Karl Marx. *Capital* (French Edition), p. 228.

It may be limited to the provisions indispensable to pay off the existing capital and to ward off a possible deficit of production in bad years.

But it may also be extended to new capitals destined to improve the fields, hitherto unexploited, of human activity, whether these fields are found in the human faculties, or whether, like uncultivated lands or unexplored continents, they are yet to be fertilised.

It is towards that work of universal enfranchisement, and enlargement of the sphere in which mankind moves, that, at the present time, the greater part of the profits of capital is employed, after deducting taxes and a fund for future eventualities.

This expense would be quite necessarily incurred, under pain of ruin, in a Socialistic society; and one of the criticisms we shall oppose to that society will certainly be the difficulty of taking those expenses into calculation to the required degree. The Marxists, therefore, cannot consider, as one of the imperfections of the society in which we are moving, the accumulation which provides for society.

The only reproach that they may formulate to-day, and on which discussion is truly possible, would, therefore, be relative to that portion of the social produce which serves for the personal consumption of the capitalists.

As to that amount, we have just seen to what point it is diminished by all the deductions to which it is subjected, and we have the right to ask if it does not almost exclusively represent the labour of the capitalist, for—saving the objections of the Collectivists—the capitalist works, and his work is certainly not the least productive.

The labour he exerts is a labour of organisation, of direction, and superintendence, the influence of which, on the course of the undertakings confided to his care, is altogether decisive—decisive to such a degree that one may lay down the aphorism: what the man is worth who directs so much is worth the business.

To determine the most advantageous conditions of labour; to have the mind always on the watch to surprise, so to speak, in

their flight, all the new discoveries; to inform oneself sufficiently well of the state of business so as to buy the raw materials in good condition; to know how to create outlets for oneself without multiplying beyond measure the advertisements and their cost—these are the masterly qualities which play a decisive part in the success or the reverse of the things that one undertakes.

Therefore, place face to face two self-same industries started with equal capital. Suppose that the workmen, the engineers, and overseers are equally active and capable in both; the one will fully succeed and will yield profits, while the other will perish. The only cause of that difference will be in the directors of the two businesses: the one will rise to the level of his task, and the other will be inferior.

If, moreover, the case were otherwise; if it sufficed, in order to become wealthy, to make workmen labour beyond the time necessary to reconstitute what is indispensable to their life, and to pocket the produce of this surplus-labour, the thing would be easy, the first comer would feel himself equal to it, and all industries would prosper.

In the middle ages, at the period of the *corvée*, things took place in this manner. The lord had some lands which the serf tilled gratuitously three days a week, and the produce of which belonged to the master. The lord, at that period, could not be ruined, or at most he could not be so by the non-success of his industry. The manufacturer to-day may not only be ruined, but incurs ruin in a very great number of cases, for the undertakings which drop, or which live from day to day, much exceed in number those to which a full success is reserved. That is one of the strongest and most conclusive answers to present to the pretended evidences preferred by the Collectivists concerning what they call surplus-value, or the modern *corvée*.

In the event of ruin, where, then, is the surplus-value? Not only has there not been accumulation because of the unpaid efforts of the worker, but the total capital has been annihilated in consequence of an imperfect management; and in this case, the labour of the capitalist has been not only unpaid but ruinous.

And yet the non-success does not depend always upon the fault of the capitalist. If one may, in fact, explain many failures by his lack of skill or his incapacity—in which case, his work having been useless, it is natural that he should not have been remunerated—it often happens that the disaster is due to accidental causes, of which he is simply the victim. Who, then, despite these risks of loss, would give his capital, his time, his labour, and submit himself to that state of mental tension which springs from incessant anxieties, if he had not, at least, the hope of a favourable risk, and if there did not thence result a beneficent stimulation?

Will it be objected that, with public companies, the rôle of worker which the capitalist performed as a small master disappears in part; seeing that the mere shareholders do nothing but pocket the profit of the undertaking?

First of all, the shareholders have furnished their capital which proves productive; they run all the risks of the concern; they have taken upon themselves the trouble of economising instead of expending their fortune, and having saved it, they have exposed it to certain risks instead of keeping it as an unproductive treasure. This gives to them incontestable rights to a part of the profits which would not have been made without them.

In the second place, it is right to observe that the capitalist who directs and carries on an active business is infinitely better rewarded than the mere shareholder who has confined himself to invest his money. The managers have percentages, the directors double percentages and often salaries, without taking into account that they are most frequently the largest shareholders.

There is this also to consider, that, in many cases, the mere shareholders in one enterprise are working in a second enterprise, in which perhaps they will find, simply as shareholders, the directors or the workmen who, in the first undertaking, confine themselves to having some shares. We have in this a *chassé-croisé* which, as we shall see later on, is multiplied in proportion as the shareholding companies democratise capital.

It remains none the less certain, for all that, that many



capitalists, shareholders, or annuitants live exclusively on the produce of their dividends or of their annuities. It is an evil, no doubt, in this sense, that these individuals are unutilised forces; but this is not a social injustice, because their capital is the source of more wealth than they themselves consume.

It is right to add that, the *statu quo* being pretty nearly impossible, these capitalists either increase their fortune or become ruined. In the first case they effect savings, and these being essentially useful, require from them an act of labour; not that one truly can admit the so-called labour of self-denial of the economists, but because the putting out and preservation of the money saved necessitates an effort.

As to those who are ruined, a part of their capital passes into other hands; and if the other part is destroyed, this loss is largely compensated by the enormous excess of production, which is owing to sound speculation.

The number of idlers tends, moreover, to become less from day to day, in consequence of the constant rise in all values and of the lowering of the rate of interest which ensues. It results from this decline that one needs to-day a considerable fortune to be able to live without working, and that the persons with such fortunes are rare.

And then, nobody has the presumption to put forward the capitalistic society as perfect. Far from that! It lends itself, certainly, to the most justifiable criticisms. But the question is whether the state dreamed by the disciples of Marx and Lassalle would not lend itself to much graver criticisms, and whether it would not be still more imperfect.

For, in this as in everything, in consequence of the imperfection of human nature, we are reduced to seek not after the absolute good, which does not exist, but after the least evil.

But it is time to turn back to the capitalist really worthy of the name, to the man who directs and works, and who, by his direction, his labour, impresses some value upon his industry.

This man, even in the eyes of Socialists who are the most absolute in their doctrines, has the right to put forward a claim to a

part of the profits exactly representing, at the least, the effort expended by him.

What shall that part be?

If the Marxist school confined itself within the narrow and absolute principle of the equality of payment; if, ignoring the quality of the work, it only took into account the number of hours during which each one had laboured, the manager of a manufactory would not be able, legitimately, to ask for a higher salary, according to such a theory, than the humblest of his hands.

But the doctrine of the German Socialist is much broader, much more human, much more scientific. It takes into account the quality as well as the quantity of the effort; it admits of simple labour and complicated labour; not being able to measure the wear and tear of the organs, it has recourse, in fine, to supply and demand for the determination of the mutual relationship of the various kinds of labour.

If this is so, we may lay it down, as a general rule at least, that the portion of the produce consumed by the capitalist does not appreciably exceed what the management would cost under Socialist conditions.

I say the produce consumed, and not the produce converted into cash and stored up.

It is evident, in fact, that the portion of surplus-value which is accumulated instead of being lost in consumption, is employed, as we have already demonstrated, in certain generally useful works, and for which it would be necessary to provide as well in a Collectivist society as under the present conditions.

Here, it will be employed to construct a line of railway or to dig a canal; there, by mechanical experiments and the creation of new machines, it will exploit some discovery; elsewhere, it will plough virgin tracts under cultivation, or, as in the *agro romano*, will perhaps render once more fit for cultivation an exhausted soil; somewhere else, it will facilitate schemes of colonisation and open out new continents to civilisation.

All these works are not only useful but necessary. No social state would be worthy to detain for one minute the attention of

men which would acknowledge itself incapable of performing them.

If then, by hypothesis, the capitalist submitted himself to the *régime* of his workmen, expended no more than they for his personal consumption, and confined himself to accumulate capital in view of these works of universal utility, no one, even from amongst the most prejudiced, would be able to hold this accumulation on his part to be a crime.

One can only raise against him a single accusation: that of consuming beyond what his labour is worth—an accusation which, however, falls to the ground on the principle of the productiveness of capital; but it is well to make the remark that the relative, if not the absolute, amount deducted by capital tends every day to decrease in consequence of this very accumulation, which, rendering capitalist and capital more abundant, makes the price of the latter go down. In this manner the so-called capitalist society carries within itself the elements of its own amendment, without it being necessary to overturn everything to cause an effect which will be produced alone by the simple operation of economic forces.

It is of importance here to point out a contradiction on the part of the Socialists.

They contend—as we have seen in analysing their theories—that the accumulation of capital has the result of breaking up the small capitalists to the profit of the great, of throwing every day a greater number of human beings into the ranks of the proletariat, and of admitting to the function of management a constantly decreasing number of people.

This view is false, and M. Paul Leroy-Beaulieu has emphatically established that it is so in his refutation of Collectivism, by showing that the number of small fortunes is infinitely greater than that of the large ones, and tends to increase instead of diminishing.

But we shall not here enter into that discussion, which is exhausted, and shall confine ourselves to placing Collectivism in a dilemma, without detaining ourselves any longer with the demonstrations of M. Leroy-Beaulieu.

Either your view is correct, we shall say to them, or it is false. If it is false—which is our absolute conviction—then, by that fact alone, one of the most powerful arguments on which Marx has supported his system falls to the ground. Let us examine, meanwhile, what would have been the conclusions, if it were true, that would be properly drawn from it.

The more the number of the capitalists will become diminished, the more also will their personal consumption diminish.

It is not a question here, be it understood, of that special consumption which consists in making collections, in piling up works of art, in buying the productions of modern artists—a consumption which constitutes an outlay of public utility. If the capitalists ceased any longer doing this, the State would have to do it—it even does so already in part—and this would only be a modification in the book-keeping of society. When we speak of the consumption proper of the capitalist, we mean the part of social production which he swallows up and causes, in reality, to disappear, for his existence and personal pleasures. And we repeat that, thus conceived, the total consumption by the capitalist is all the smaller, as the number of those exercising that social function is less considerable.

Two hundred persons, each possessing a fortune of a million francs, will certainly expend infinitely more than one person alone possessing two hundred millions.

If, then, it were correct that capital is becoming concentrated in a continually diminishing number of hands; if it were true that it tended to become owned by some unit, the whole Socialistic argument would fall to pieces. The day on which, in fact, its limit would have been attained, the consumption of the capitalist—his civil list—would be considered as a grain of sand in the ocean in proportion to the common production. It would no longer sensibly affect wages in an appreciable manner susceptible of being represented in money having currency, however small may be the coin. The capitalist would no longer accumulate, except to fulfil a function which, if he ceased to exist, the State would have to discharge in his stead and place. In fact, and under another

form, the natural evolution of society would have brought about the Collectivism dreamed of by the Marxist school: all salaried under one direction. Only, this direction would fall to the lot of one individual instead of devolving upon the State; though this individual would acquire such a power that he would very soon become the State. Collectivism would be realised without revolution.

The State, it is true, would be a despotic State; but, on the other hand, the Socialists are not decided as to the nature of the State which will be proper to their new society. Schäffle expressly says that one cannot affirm that the representative system will be perpetuated in Collectivist society.

In any case, and supposing that Collectivism wished to replace, by a representative form, the form of authoritative government sprung from the very logic of things, a simple, political revolution, similar to all those through which we have passed, would suffice to achieve that end, and one would not have to trouble oneself about any social upheaval.

If, then, the mirage of permanent concentration, such as it presents itself to the Socialist imagination, is an objective reality, there is nothing for the Collectivity to do but to go to sleep and to let things alone. Collectivism will come by itself, and we should only fetter its development by laws protective of labour; it becomes necessary to uphold the *laissez-faire, laissez-passer* doctrine in all its rigour.

If, on the other side, this mirage is only a mirage; if, thanks to trading companies of all kinds, to the spirit of economy which often animates the small, and to the spirit of dissipation which animates, on the contrary, so many of the great when they have not been the architects of their fortune; if, thanks to all those different conditions which one may further assist by laws protective of labour, and, in a certain measure, by fiscal laws limiting the excessive accumulation of riches in the same hands; if, we say, capital, far from becoming centralised, manifests an opposite tendency, a tendency to become decentralised—as we shall strive, in the conclusion of this work, to show is the case—the gloomy picture which Karl Marx presents of our capitalist



society, compared by him almost to a prison, is overcharged. We have certainly no right to hope for equality of conditions and absolute happiness—they are not compatible with the nature of man—but we may hope for a daily increasing moralisation, through the constant increase in the number of those who participate in the direct benefits of property, and through the advantages which result from the general augmentation of riches for non-property owners themselves, if only on account of the benefits which they obtain from the common expenditure, of which they enjoy on the same title and to the same degree as the possessors of capital.

We arrive thus to this alternative; either capital accumulates more and more in the same hands, and in that case Collectivism is laying its foundations by itself without there being any necessity to work towards its realisation; one even can only hinder the movement by seeking to hurry it on; or the social amelioration sought for is being produced by the fact of the diffusion of private property, and in this case to push forward to Collectivism would be to go against the stream of the natural movement to which mankind obeys.

This argument could not be confuted unless one attacked the accumulation of capital in itself, instead of finding fault solely with its personal consumption by those who own it; or unless the demand were made on society to cease putting aside any reserve funds with a view to ulterior productions and capitalisations, or unless society were required to distribute the whole, or, at all events, a much larger proportion of the fraction of the annual surplus-value which to-day is capitalised.

This last result would be reached in a Socialist state, either by not giving higher wages than those of to-day, but diminishing the duration of the day's work, or by maintaining the actual duration of the day's work, but augmenting the salary in proportion to the whole amount now annually saved in order to be of service for fresh production.

If the one or the other of these practices were to prevail, it would be a downright catastrophe for human society.

Now, such a solution would very probably happen; the system of reserve funds, we may reasonably suppose, would disappear as soon as, instead of being stimulated by personal interest, that system would have personal interest arrayed against it.

We shall draw, later on, from this probability of the suppression, or of a very great diminution, of saving in a Collectivist society, one of the most powerful objections that may possibly be invoked against Collectivism; an objection which, in default of arguments, the Collectivists are either obliged to pass over in silence, or to refute by sentimental reasons which are without scientific value.

## CHAPTER IV.

### THE LAW OF POPULATION.

EVERY one knows the famous law of population laid down by Malthus.

Malthus established, relying upon the increase of the population in the United States, that the human species tends to increase much more quickly than the means of subsistence, and that, if an act of the human will does not step in to restrain that natural law, misery is inevitable amongst men.

In a book already old, I have myself developed that theory with the greater part of the commentaries and absurd or criminal combinations to which that theory has given birth in some brains. I shall not recur to that thesis here.

The law of Malthus is really nothing but the more general law of natural selection, and of struggle for life, on which Darwin has based his whole system. Applied to animals and to plants, it is rigorously true, and it is the sole condition of transformation and of evolution for all living beings other than man.

An excess of individuals of a given species comes into the world. The soil does not offer enough subsistence for all. It is necessary that the overplus should disappear. From thence, the death of some of these individuals ensues. The more robust, the stronger, the more cunning, the better adapted to the surroundings alone survive.

As, moreover, those alone are reproduced who live, and as the offspring resemble the parents, the qualities of these latter—those qualities which caused them to escape from death—become fixed in their descendants, who thereby find themselves fortified, perfected, and endowed with a more complete adaptation to the conditions under which they will have in their turn to be evolved.

Such, then, is the universal law. It applies to man & to animals so far as natural tendency goes, and it produces all its

effects as soon as the social conditions are of a nature to eliminate voluntary forethought.

On the contrary, responsibility is manifested, and if man reflects, an act of his will steps in to counteract the blind tendency within him, and the law of population ceases to be manifest. The slight increase in the number of the inhabitants of some countries, amongst which, in the first rank, it is meet to place France, is a manifest proof of the power which his intelligence and his will—which latter is nothing, in this case, but a resultant of the former—give man in order to wipe out the consequences of a law which, left to itself, would make misery an organic fatality against which all projects of reform would break themselves to pieces.

This law, nevertheless, is of prime importance, and it is always necessary to take it into account. It is not, in fact, by regulations or even by persuasion, that one can fight against a tendency natural to the human race. It is by an act individual, spontaneous, and self-conscious with each of us, but not self-conscious with the collective mass. Consequently, in order that the moral and physical restraints—to speak the language of the English philosopher—might cease to show themselves, and for the physiological tendency to reassert itself, it would be sufficient to modify the social conditions and wipe out the feeling of responsibility from whence the above restraints proceed.

The example of North America, in regard to this, is convincing. The easy maintenance of existence had there suppressed all effort of the individual with the view of limiting his progeny, and the population for a century has doubled there every twenty-five years.

Since then, that enormous increase seems to have suffered some abatement, and in certain parts of the Union, in New England notably, the old Anglo-Saxon population has become almost as little prolific as that of France. The cause of this is evidently in the general conditions of life, which have changed and generated the personal and voluntary effort which had not had, up till then, the opportunity of manifesting itself.

The law of population is not an economic law. It is an organic law. But it becomes an economic law in consequence of this fact,

that the economic surroundings react upon it and attenuate or precipitate its effects. It is for that reason that economists concern themselves with it more, perhaps, than naturalists, and that one has not, scientifically speaking, the right, when proposing social reforms, to do so without having inquired, first of all, what consequences these reforms would be likely to have on the development of the population.

The Socialists have always been exercised by the law of population. Some have confined themselves to ignoring it and to expect, probably from Providence, a decree that might interrupt its action.

Others, like Fourier, have contended that the system of social organisation lauded by them would have the effect of naturally limiting the population outside all intervention of personal will. Unhappily, the proof of that affirmation has not been made, and they have contented themselves with a hypothesis which, in a matter so grave, could not be sufficient to mankind.

But since, under the pen of Lassalle or of Karl Marx, Socialism has adopted a scientific method, the law of Malthus becomes an increasing embarrassment to it.

The iron law of Lassalle is nothing else than the law of population reproduced under a new form.

It is clear, in fact, that if the increasing of the population were only restrained by the failure of the means of subsistence, if all excess of production due to labour and human genius ought fatally to have the result of bringing into the world a number of new people proportionate to the new resources produced, wages would never be able to rise above what is strictly necessary to the worker in order to live. The human species would be condemned to roll an eternal rock of Sisyphus without hope of redemption.

But if this were so, it would, indeed, be useless to search in Collectivism or elsewhere for a remedy for evils, the organic fatality of which would be established.

It follows that the Collectivist-Socialists find themselves placed in an awkward alternative for their ideas:

Either they abandon the iron law, and then their system has no longer any basis, for the principal basis of Collectivism is the pre-



tended demonstration that, outside of it, no amelioration of the lot of the workers is possible—and that demonstration is obtained by the iron law—or they maintain the iron law, and, in that case, Collectivism loses still more completely its basis, seeing that man is crushed by an universal and irresistible law which takes no account of the action of the will.

Marx has perfectly understood this. He has also striven to evade the difficulty by establishing that the law of population is not an organic law but rather an economic law, the principal cause whereof lies in the capitalistic organisation of society.

The economists have repeated very often that there always existed a relation between national production and population, a relation which is not absolute, any more than the law of wages, but which must manifest itself under given circumstances and conditions.

If the production augments sufficiently so that, without descending below the minimum individual consumption at the time, indeed even raising this minimum, the inhabitants of a country can increase in number, this increase takes place. The excess of labour which this development of production causes has, in fact, the consequence of bringing about a demand for labour higher than the offer made on the market. Wages go up and population with them. But this very augmentation of the population brings about a movement of reaction in wages which, in its turn, causes a decline of the population, or at least stays its increase.

According to Karl Marx these are nought but errors and sophisms, and over-population is due, not to the fact that, at some periods, the workers become too prolific, but to the general conditions of machinery. The truth, as he thinks, would be this—when the crises are over and the periods of industrial prosperity return, capital needs workmen in numbers sufficient to answer to the needs of production.

In such times, attracted by seductive offers, the workmen abound; they quit the fields,—from whence, moreover, machinery expels them, at least in England,—in order to rush towards the manufacturing towns where the abundance of the demand causes a rise of wages on the labour market. Very soon, however, this

fever abates. The superabundant products of industry cause a plethora, and come into collision with the cessation in the consumption, which refuses to absorb them. It then becomes quite necessary for industry itself to limit its flight. The small manufacturers are ruined, bankruptcies are piled up, and the great capitalists alone remain whilst considerably restricting their production. The demand for labour diminishes, salaries go down, and an enormous mass of labourers are hurled into the ranks of the unemployed, living only upon public charity, reduced, consequently, to the last extremities of misery, and suffering in their dignity as men as much, perhaps, as they do by the imperfect satisfaction of their wants.

It is these workmen, discharged and without work, which Karl Marx calls the reserve army of capital. This reserve army, he says, is necessary to capital. Suppress it, and all resumption of business becomes impossible. And so capital strives to keep it up. During the cotton crisis, which coincided with the War of Secession in the United States, the English capitalists made great efforts to prevent the emigration of their fellow-countrymen of the working-class. What would have become of their factories, had they allowed that emigration to take place, when the termination of hostilities in America allowed the cotton to flow once again to the English manufactories and furnished them with the opportunity for a new and formidable flight! And as, without there being any wars, the industrial crises are reproduced about every ten years, with a tendency even to the shortening of these periods, the existence of the reserve army is necessary; that is to say, the surplus population is intimately bound up with the actual form of society, and is not related in any fashion to the number of children which are born in working-class families.

The crises follow too near each other, adds Marx, for events to happen in the way that the bourgeois economists suppose. A period of prosperity does not last long enough to allow a supplementary generation to be born and to grow up; and the factories which, when activity revives, require an immediate swarm of hands, would not be able to wait during the ten, twelve, or twenty

years necessary for the production of a generation of workmen. The period of crisis would happen before the men had the time to see the light and to develop.

There is, certainly, some amount of truth in this analysis; but it errs, above all, by its generalisation. Marx witnessed great crises, industrial quasi-cataclysms like that which coincided with the Secession War in America. He wrote and lived in England, where landed property, regulated by aristocratic and anti-economic laws, allows of some effects which are not realised in other countries. Finally, he was a contemporary of the most anarchical epoch in machinery; and from the transitory contingent facts which he saw, he thought he was able to infer a general law. Therein consisted his error.

He points out, therefore, the workmen flocking towards the manufacturing towns at the time when work is resumed. But, as for these workmen, where do they come from? From the country districts, he tells us. Quite so! But then the country ought to be short of hands, and the workmen will be welcome if they return there at the time of manufacturing crises. No! replies Marx, for the reason that, in agriculture, hands are replaced by machinery when a further step is not taken and the lands are left uncultivated in order to secure fine hunting for the lords who possess them.

Perfectly so in England! But in France, Germany, and Italy machinery is not yet seriously employed in agriculture. Property is too divided for that. Much less are lands left uncultivated. If England, in regard to this matter, finds itself, by virtue of its succession laws, in a particular and exceptional situation, one may advise her to modify these laws without drawing conclusions, from what takes place there, for the entire world.

Moreover, even in England the observations of Karl Marx are much exaggerated, and the close study of the facts demonstrates, on the contrary, that the periods of enforced idleness are more and more diminishing, a formal equilibrium tending more every day to become established.

M. Paul Leroy-Beaulieu, in his work on Collectivism, from which

we have made numerous drafts, provides a most conclusive proof of this, viz. that the number of paupers relieved in England and Wales—that is to say, the industrial army of reserve—has gone on diminishing in very large proportions from 1849 to 1883, which was the nearest year to that in which his book appeared.

The picture presented by M. Paul Leroy-Beaulieu is worth while being reproduced:—

NUMBER OF PAUPERS RELIEVED.

Year.	Able-bodied Adults.	Other Paupers.	Total.	Population of Eng-land and Wales.
1849	201,644	732,775	934,419	17,564,000
1850	151,159	739,384	920,543	17,773,324
1851	154,525	706,368	860,893	17,982,849
1852	137,318	697,106	834,424	18,193,206
1853	126,220	672,602	798,822	18,404,368
1854	136,277	682,060	818,337	18,616,310
1855	144,500	706,869	851,369	18,829,000
1856	152,174	725,593	877,767	19,042,412
1857	139,130	704,676	843,806	19,250,416
1858	166,604	741,582	908,186	19,471,293
1859	137,418	723,052	860,470	19,686,701
1860	136,761	714,259	851,020	19,902,713
1861	150,526	739,897	890,423	20,119,314
1862	167,646	778,520	946,166	20,352,140
1863	253,499	889,125	1,142,624	20,590,356
1864	186,750	822,539	1,009,289	20,834,496
1865	170,136	801,297	971,433	21,085,138
1866	149,320	771,024	920,344	21,322,864
1867	158,308	799,865	958,173	21,608,286
1868	185,630	848,344	1,033,974	21,882,059
1869	183,162	856,387	1,309,549	22,164,847
1870	194,089	885,302	1,079,391	22,457,766
1871	189,839	892,087	1,081,926	22,760,359
1872	153,753	823,911	977,664	23,067,835
1873	127,697	759,648	887,345	23,356,414
1874	114,324	714,957	829,281	23,648,604
1875	117,209	700,398	815,587	23,944,459
1876	97,065	652,528	749,543	24,244,010
1877	92,806	635,544	728,350	24,547,309
1878	97,927	644,776	742,703	24,854,397
1879	118,933	681,493	800,426	25,165,336
1880	126,228	711,712	837,940	25,480,161
1881	111,369	691,957	803,326	26,055,406
1882	106,280	691,334	797,614	26,406,820
1883	105,357	693,939	799,296	26,762,974

Thus, as one may see by inspecting this curious document, if we except the years between 1863 to 1871, during which the effects of the American War, that is to say, of an extra-economic phenomenon, made themselves felt, the number of paupers relieved went on diminishing from 1849 to 1883 both in a relative and in an absolute manner.

So that, whilst in 1849 the number of paupers relieved, adults and able to work, was 201,644, and the total number of paupers was 934,419 for a population of 17,564,000 inhabitants, in 1883 the number of those relieved in the first category was no more than 105,357, or an absolute diminution of 95,287; that of the total relieved had fallen to 799,296 for a population of 23,762,974 inhabitants, or an absolute diminution of 134,123.

From the relative point of view—the only one of importance—the decrease of the proportion of the number of relieved paupers to the population is still more considerable, having regard to the increase of the population which, from 21 millions of inhabitants, had risen to the number of 27 millions.

In 1849 the proportion between the number of adult able-bodied paupers and that of the population had reached 11 per thousand, and that of the total number of paupers relieved 53 per thousand. In 1883 the first of these proportions fell to 3·9 per thousand, and the second to 29 per thousand, or a diminution of two-thirds for the paupers in the first category, and of nearly a half for the whole. It is right to add that the year 1883 was a year of depression and industrial crises, consequently, one of those years in which the reserve army of capital ought to have been formed.

In Paris we have fewer means of information, because the poor law does not exist in France. Nevertheless, the figures furnished by the *Assistance publique* give some valuable indications. It was estimated that in 1813 there was 1 indigent person at Paris for 569 people, and in 1818, 1 for 808. The much more precise figures of the censuses which have taken place since have given the following results:—

1829	1 indigent person for 1302 inhabitants.
1841	“ “ 1330 “
1850	“ “ 1938 “



1856	1 indigent person for 1659 inhabitants.
1863	„ „ 1694 „
1864	„ „ 1616 „
1866	„ „ 1712 „

But, it is said, machines replace a considerable number of hands ; and although the new capital, the formation of which they determine, may have as its consequence a demand for labour, they have, none the less, some deplorably disturbing effects. On the one hand, in fact, it is rare that the new demand is able to reach the number of the workers unemployed, in consequence of the introduction of machinery in the branch in which they worked ; further, when even equilibrium happens to be established, it requires a sufficiently long time, during which misery does not wait.

Even here the picture is overdrawn ; and Karl Marx, when saying in his work that, without machines, it would actually need 200,000,000 workers to suffice for the actual production of Great Britain, takes upon himself to answer his own objection. Machines have had, above all, the effect of placing within the reach of everybody products which formerly were only within the reach of some ; and, if they have given rise to a passing inconvenience, they have engendered some lasting benefits.

Further, these effects of passing inconvenience have not always been so sudden, so absolute as one would suppose from the reading of *Das Kapital*. Thus, M. Paul Leroy-Beaulieu, quotes some figures concerning the substitution of steam navigation to navigation by sailing vessels, which show that, in that industry at least, the evil has not been great. These are the figures :—

SAILING VESSELS.

Years.	Number.	Tonnage.	Seamen employed.
1877	17,101	4,138,149	123,563
1878	16,704	4,076,098	120,085
1879	16,449	3,918,678	115,177
1880	16,183	3,750,442	108,668
1881	15,223	3,569,168	102,498

## STEAM VESSELS.

Years.	Number.	Tonnage.	Seamen employed.
1877	3,218	1,977,489	72,999
1878	3,390	2,160,026	75,500
1879	3,580	2,331,157	78,371
1880	3,789	2,594,135	84,304
1881	4,088	2,921,785	90,405

These years represent those in which, in consequence of the invention of a new machine admitting of a great economy in fuel, steam navigation has most increased.

Now, if we add up, for 1877 and 1881, the total number of seamen employed in the two kinds of navigation, we shall find these figures :—

Years.	Seamen employed in Steam Vessels.	Seamen employed in Sailing Vessels.	Total of the Seamen employed.
1877	123,563	72,999	196,562
1881	102,498	90,405	192,903

That is to say, in five years a diminution of 3659 Seamen on a total of 196,562, or of 1·8 per thousand; a diminution which, clearly, is hardly appreciable.

It is right to admit that the transformation has not been so easy in other industries. But it must also be agreed that the phenomena which Karl Marx observed were those of the substitution of machines for manual labour. To-day that crisis is almost passed away, and what takes place, and will continue to take place, is the replacing of less perfect machines by more perfected ones.

In this latter case—as M. Paul Leroy-Beaulieu would rightly have us observe—capital, instead of menacing the worker, exercises an undoubted protection in his favour.

The capital incorporated in the old machines, whilst defending itself against the new, defends at the same time the workers

whom it employs. A stock of tools is costly. When a manufacturer has made the outlay, and furnished himself with implements, it would be a mistake to believe that when a new discovery steps in he will throw aside all his materials, unless such considerable improvements are made—and such improvements are rarely found—that in consenting to struggle against them he would become ruined. He will wait, before he replaces them by something new, till his implements are no longer of any use, or till he has been refunded for his original outlay; and during this time, ordinarily rather long, his workmen will have the time to turn themselves round. The transitions thus become infinitely less appreciable than when the first machine had to struggle with the handworker.

In short, machines lower the net cost of commodities and multiply consumption; and if there has been terrible crises at the beginning, now that modern capitalism<sup>1</sup> is established and follows its normal course, there are the greatest chances that, in the future, the increase of consumption, corresponding to future improvements, may lead to the employment of a number of workers equal to, or even greater than, the number of hands which industrial progress will have economised.

Machinery even presents, from the point of view of enforced idleness, an useful influence which every unprejudiced mind is bound to acknowledge.

Formerly, the workman had a special trade. This trade required a long apprenticeship, and he was not able to change his employment. If the fashion happened to produce a suspension of production in the industry which employed him, he was deprived of all resources, and could only place his hopes in a return of the customs which had fled.

To-day—Karl Marx recognises it, and makes one of his grievances against modern industry out of it—thanks to machinery, the workman can more easily pass from one trade to another. If the new fashion drives him out of the occupation in which he gained his livelihood, he may find employment in the trade which,

<sup>1</sup> Or, in M. Naquet's own words, "la grande industrie."

thanks to the favour it meets with from the public, its need of an increase of hands.

So true is this, that when one studies the effects of the dead season, one perceives that it is the workmen in the small industries, and those who work at home, whom it affects most severely.

The large manufacturers have such an interest in not allowing their machinery to deteriorate for want of use that they often work at a loss rather than close their factories.

In the greater number of cases, if a crisis occurs, they diminish their production, but do not stop it; they make their men work fewer hours, but continue to give them work to do, and if the workman finds his resources reduced, at least he is not totally deprived of them.

The reserve army of capital is, therefore, one of the phantoms which inhabit the mind of the German Socialist; and if it is true that there are, and always will be, crises and suspensions of labour, it is false that modern capitalism has the effect of multiplying those events and enlarging their extent.

Be that as it may, however, it remains none the less established that the absolute figure at which the population stands at a given moment is intimately bound up with the amount of the means of subsistence. As M. Courcelles-Leneuil has mathematically formulated it,—“this figure is equal to the sum of the aggregate income of society, minus the sum of inequalities of consumption and divided by the minimum consumption.” If we call  $P$  the necessary amount of population,  $a$  the sum of the aggregate income,  $i$  that of the inequalities of individual consumption, and  $c$  the minimum consumption, the result may be represented by this algebraical formula:—

$$P = \frac{a-i}{c}$$

This law, combined with what is called the law of rent—in virtue of which an additional degree of production, necessitated by an increase of the number of the consumers, costs more labour than the preceding degree of production had cost for an equal quantity of products—would lead to the terrible conclusions of Malthus.

These conclusions would be certainly excessive.

On the one hand, the law of rent, such as Ricardo had formulated it, is anything but demonstrated. Machinery, in multiplying in an enormous measure the power of labour, has neutralised its effects. On the other hand, as we have said before, it cannot be doubted that the human will intervenes and acts as a powerful lever on the rapidity with which population increases. We have already found the demonstration of this in the nearly stationary position of the French population, and we may also give as a proof the persistent augmentation, in spite of all arguments, of the minimum of individual consumption.

The argument of Karl Marx has an appearance of accuracy when we only consider the duration of a period when industry is flourishing, and when one compares that period with the crisis which follows it. But that does not in any manner prevent the effects pointed out by the economists from being equally true.

It is incontestable that, in moments of prosperity, the worker is more tempted to propagate and, living a more abundant life, is in a better position to preserve the life of the children he engenders. These children will not become workers till later on; they will not play any part in the movement of increased prosperity to which they owed their birth; but for all that they will have been born, and will none the less have lived.

It is none the less incontestable that, during the periods of non-employment and of misery, the worker will have less children, or, if he has as many, they will die in consequence of privations—which will finally lead to the same result.

It remains, then, perfectly established that the population absolutely follows the industrial movement, and that the number of the inhabitants of a country increases when, athwart the oscillations of prosperity and of crises, the total production of that country increases.

The Collectivists, therefore, would commit a gross error if they imagined that their master had solved the antinomy of population; and we shall have the opportunity of seeing further on that this formidable problem would be one of the stumbling-blocks of Collectivism, and certainly not the least.



## CHAPTER V.

### THE PRIMITIVE ACCUMULATION.

ONE of the fundamental chapters of Karl Marx is that relative to the primitive accumulation.

In order that a surplus-value may exist, it is altogether necessary that, as an essential preliminary, there may be the capital which will have caused it.

If this capital exists, one can discuss what right it has to take to itself a portion of the surplus-value, or even the surplus-value entirely; but it must first of all be shown to exist; and its possessor, in the most favourable hypothesis, will only have the right—even if capital is recognised as productive—to his share of the products, if he is, moreover, legitimately in possession of the primitive accumulation.

As for this primitive accumulation, where does it come from? From the labour of the man who owns it, or from that of his ancestors: such, without hesitation, is the reply of the economists. And they present the picture of the laborious worker who labours and saves, whilst others, idle or prodigal, labour little, or waste the fruit of their labour.

Karl Marx rises up with vigour against this conception, which he considers as a mere *à priori*. He contends that these are purely imaginative views, and that it is enough to open an historical book to shew that things took place differently. In fact, according to him, the accumulation goes back very far. The first accumulations of capital, in antiquity, were constituted by war, by rapine, by reducing conquered peoples into slavery, and by the exploitation of slaves.

Afterwards, things have followed their course; new spoliations

have followed the old, and it was amidst these violences that the modern world saw the light.

Karl Marx devotes some very long explanations to the demonstration of this historical truth—a truth, the evidence of which is such that he might have avoided advancing the proof; an affirmation on that point would have amply sufficed.

But this is not the question we have to consider, but the following:—

Let us suppose that, without changing the social organisation, we make a *tabula rasa* of all that exists; that,—without destroying the principle of private property, but with the sole end of causing the injustice that marks its origin to disappear,—we decree a general sharing of all the actual values (note, that this hypothesis has absolutely nothing to do with the Collectivist solution, which is quite different) in order to allow human evolution to begin again on the basis of economic liberty and property, outside all robbery and all spoliation. Very well; if this hypothesis could be realised, the society of to-day, by the means, purely ideal up till now, which has been the subject of the idyll sung by the economists, would be reconstituted before half a century had passed away.

The ardour for labour, the intelligence and economy of some, the idleness, want of intelligence, and prodigality of others, would soon give room for a new accumulation of capital on one side, and for the bringing into existence of a class of paupers and wage-winners on the other. One thing alone would be found modified, and perhaps even less so than one thinks, on account of the aptitudes determined by the exercise of functions: the *personnel* composing the one and the other category.

This requires no demonstration, so absolute is its evidence. Those, however, who would not be convinced by this, I would advise to read the works of M. Paul Leroy-Beaulieu and of M. de Laveleye, the last named, moreover, being very favourable to the Collectivist idea. They will see there that our hypothesis has been verified, and is verified every day. Communities have existed in the world. There exist some still; the Russian *mir*,

the Swiss *allmend*, the Japanese *desa*. Now, in all these communities, and despite the precautions which are taken to oppose personal appropriation, that appropriation goes on in spite of every one, by virtue of an irresistible tendency of mankind, and without spoliation and violence entering into the matter at all. What would it be if precautions were not taken to impede this natural evolution!

But if such is the case—and this fact can no more be questioned than the affirmations of Marx on the primitive accumulation—we may reason as if the idyll of the economists were correct in fact.

Seeing that, without spoliation, without violence, without deceptive exploitation, the capitalist society would be constituted of itself, the arguments which it is sought to erect on ancient violence lose all their value. This violence no longer proves that these abuses were the essential cause of the form which society has taken, and which society would have spontaneously taken without them. Violence is nothing more than a historical accident, and only demonstrates that, in many cases perhaps, the actual possessors are not those who would have been so, if things had occurred naturally, and without any intervention of force.

But if this is all that one can conclude from the erudition unfolded by Karl Marx in regard to the primitive accumulation, the idea could scarcely enter the mind of any one to produce an universal overturning with the view, not of creating a new society absolutely different from ours, but only to simply repair some items of individual injustice.

And the question may still be asked whether one would not create more injustice, in acting in this manner, than one would repair.

In the time of Julius Cæsar, the Romans came into Gaul and took possession of a piece of land which belonged to some Gaul. It was a regrettable act of conquest. But two thousand years have elapsed since then. The property has probably been taken again from the descendants of the Romans by the barbarians. Since then, how many times has it changed hands? No one knows. What a number of purchasers in good faith between the primitive

conqueror and the actual landlord! What an amount of money expended on that land, by its successive possessors, during twenty centuries, to maintain its value! One may wager that, if it were sold at this moment, its sale price would not even represent the total capital which it had swallowed up, its value at the time of Julius Cæsar not entering as any element of its actual value, which is of fresh formation. And one would dispossess the man who owns it to-day, not in order to make restitution to the unknown descendant of the Gaul despoiled by Cæsar's soldiers, but to let it devolve, in the course of distribution, on some citizen or other who would have absolutely no right to it! Such an idea is not worth discussing.

Let people overturn the social conditions if they believe, with the Collectivists, that they can substitute for those conditions something better! But if one does not believe this to be possible, it would be criminal to upset everything in order to change nothing but the personal functions exercised by different individuals. In truth, society is in no degree interested in the fact that some one owns in preference to some other. This is a matter absolutely destitute of importance. What interests society are the institutions on which ownership is based, and also—in an order of things founded on property—its only interest is that one may always know who is the true owner. It is for that reason that, with the object of avoiding perpetual litigation, and in order that everything may not be constantly called in question to the prejudice of all, prescriptive laws have been promulgated. Intended to put a limit to the claims which might arise even out of recent usurpations,—when these claims are not brought forward within a certain time,—these laws are indispensable. Are we not still better justified in invoking them when the question in dispute is society as a whole?

M. Paul Leroy-Beaulieu even makes the judicious observation in regard to this point, that, if the right of the present holder were not recognised, there would no longer be security for human aggregations—communes or nations.

Some little commune in Champagne, or in the Department of

Herault, is rich, owing to the vines it cultivates. On the other hand, some other commune in the Department of Aveyron is poor, and its inhabitants are fed on rye. By what right do the inhabitants of the first commune own a fertile soil, whilst those of the second possess only an ungrateful soil? If the fact of occupying this soil for centuries does not constitute a right, the Aveyronnais may legitimately claim their part in Champagne or Herault.

And what is true of a commune is equally so of a people. France, Italy, and Spain enjoy possession of fertile lands and of a favoured climate. Why should the moujiks of Arkangel be deprived of these, and condemned to live in almost eternal ice? If an indefinitely continued possession is not equal to a title, France has no legitimate argument to put forward against the claims of the Pomeranians, or even of the Persians and Kurds!

There is no medium here: either prescription for all, or prescription for none; either security for individuals, or insecurity for nations; either the maintenance of civilisation or the return to barbarism.

Of course no one can draw from these considerations the conclusion that society has not the right to modify itself, if it deems it useful and possible. Societies have always the right of submitting themselves to the modifications,—whatever may be the degree of importance of these latter,—in which they find, or think they have found, some advantages.

But the right which modern Society possesses to transform itself cannot, in any case, be grounded on the criticism on primitive accumulation. This criticism is a *hors-d'œuvre* in the work of Marx, which would take nothing away from the value of his other arguments if these were convincing— but which adds to them absolutely no additional force.

Marx's criticism only proves that men have passed through an epoch of barbarism before reaching the actual period of civilisation; and it would be a bad means of improving the latter for Socialism to bring back barbarism—by destroying, under pretext of social justice, the results acquired—in order simply to begin social evolution over again.



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Either the attacks of Karl Marx against capitalism hold good—and, in that case, Collectivism is beneficent and possible. If this be true, it is necessary to go forward in the direction of Collectivism. Or else, as we think we have shown, the attacks of Karl Marx are erroneous, and, more than that—as we shall endeavour to show—Collectivism would be impossible, or, at the very least, disastrous. If this be the case, we must be satisfied with the situation which the ages have created for us, and we must not seek to recommence social evolution because some abuses of power were committed thousands of years ago; but we must confine ourselves to bringing forward improvements, here and there, to the present state of things, which may curtail what amount of oppression there still remains, in order to lead society to confer every day, to an always increasing number of individuals, a larger measure of liberty, dignity, and happiness.

## BOOK III.

*An Analytical and Scientific Criticism of Collectivism.*

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### CHAPTER I.

#### A GENERAL SURVEY.

Our critical examination of the doctrine of Karl Marx is concluded. We have shown that the theory of value adopted by the German Socialist is erroneous, and that his theory of surplus-value and of the "robbery" committed by the capitalist on the worker rests on a series of sophisms. We have established that his considerations on what he calls the primitive accumulation are a mere *hors-d'œuvre*, which confers no strength on his argument. Finally, we have placed beyond doubt that the population question exists by itself, that it has not awaited the so-called capitalist society of to-day in order to manifest itself, that it has forced itself on the attention of men in all times, and that it even seized a more dangerous hold on mankind in the ancient world than is the case at the present time; that man was even more completely subject to it when the law of rent existed in full force than to-day, when, by the invention of machinery, which is improved every hour, human genius has placed it within bounds.

But all this does not hinder the society of to-day,—like, moreover, all societies which have preceded it, though in an infinitely smaller degree, despite the fantastic affirmations of the Socialists,—from being the mother of injustice, misery, and death; and anxiety as to the improvements to bring forward to remedy this injustice and

misery remains none the less the noblest pre-occupation that can absorb the human mind.

We have just asserted that injustice and misery, however great they still may be, are less serious than in the ages past. Karl Marx energetically contests this. It is true he does not urge a return towards the past. He even considers that what exists at the present time is a necessary stage in the evolution of mankind. But men, the workman above all, appear to him as having been less exploited, as having been more happy, during the feudal period, under the guarantee of the mediæval Trades-Guilds, than they are to-day.

In this, perhaps, consists his clumsiest error.

No doubt the small masters in the towns, who had the monopoly of labour, and who, beneath the feudal lord, constituted so many embryonic capitalists, were better protected than the existing workmen against excessive labour to-day and want of employment to-morrow.

But to draw from that fact a general conclusion, one must systematically close one's eyes to the spectacle of mankind as a whole, as presented by those sad times.

Marx complains of what he calls the reserve army of capital, to say, of the loss of employment which falls upon a great number of workers in times of industrial crises. And he forgets that in the past, this army was not a reserve but a permanent army. It consisted of all the men to whom the right to labour was refused, and who extended their fleshless hands at the gates of the monasteries, as, to-day, the men out of work extend theirs to the administrators of the *Assistance publique* in France, and to those who dispense relief under the poor law in England. But there is this difference, and a great one, that to-day the lack of employment is temporary, whilst then it was perpetual.

To exalt the past, and to undervalue the present, we must also forbear to look upon the spectacle which agriculture offered, in the midst of the wars, the incursions of armed force, and the depredations of all kind, and we must forget to take into account the frightful situation of the peasants. To be convinced of this we

have only to refer to the magnificent and eloquent pages which Michelet has written on the lot of the husbandmen in those ages of semi-barbarism. We shall read there the description of those subterranean places in which the workers in the fields were obliged to hide themselves, their beasts and their harvests, to avoid the robberies, the murders, the numberless acts of violence which they had unceasingly to suffer on the part of the marauders, the "great companies," the foreign invaders, and even from the soldiers of the king. The corvée took from them half of their time, and such was the insecurity that it never permitted them to enjoy with repose the product of the other half.

No! Our times are not inferior to past epochs; and much more in agreement with the reality of things than the lamentations of Karl Marx, or of M. de Laveleye, is the passage of the historian Macaulay:—

"Those who compare the age on which their lot has fallen with a golden age which exists only in their imagination may talk of degeneracy and decay; but no man who is correctly informed as to the past will be disposed to take a morose or desponding view of the present."<sup>1</sup>

The undeniable fact that the minimum personal consumption has increased is the most categorical answer that can be given to the morose views of the greater part of the Collectivist present society.

Because it is superior to the past, the present is, nevertheless, not perfect; far from it! And we cannot too much encourage those who are in search of fruitful improvements.

It remains to be examined whether the socialisation of the instruments of labour—to talk the Marxist language—would mean progress or retrogression; whether it would better the lot of man, or, on the contrary, whether it would not have the result of making it worse.

Be it remarked, that to put the question thus does not imply the denial of the right of society to effect the transformation dreamed of by Karl Marx and by his disciples, if that transforma-

<sup>1</sup> Macaulay, *Hist. of England*.

tion may possibly raise by one degree the spirit of justice, may cause misery to recede, and may augment the sum of human happiness. It only implies an inquiry whether the means proposed are of a nature to lead to the end aimed at, and are not rather of a nature to lead to an inverse result.

Against the right of society to change its form, even so radically as we have already had the occasion to recognise, there cannot be raised the least doubt.

Property is not,—as philosophers and even some legislators have contended,—a natural right; it is essentially a social right. Society created it; and society would have the right to destroy it.

According to localities, manners, and epochs, the social conventions which men have established have been the most unequal, the most dissimilar, the most opposite.

“La loi d'un peuple était chez l'autre peuple un crime.”

Such are the words which Victor Hugo puts into the mouth of the humanity of the future concerning mankind in the present or the past. Communism played its part among the Incas before the conquest of America, and in Paraguay after the conquest; collective property still exists at Java; it is found in the Russian *mir*, and remnants of it are pointed out in the *allmends* of Switzerland.

Elsewhere,—for instance among the Arabs and other nomadic peoples,—property, without on that account disappearing, and without Communism being established, acquires a collective character, and does not become fixed or individualised.

With us, on the contrary, property takes an absolutely individualistic character, and this character is even carried to extreme limits; all which does not prevent the State, when it deems it useful, from intervening and forcing upon the property-owners laws restrictive of their liberty, as is the case, for instance, with the expropriations on account of public utility. Sometimes these legal obligations appear almost in contradiction with the principle of property itself. Of that we have an example with our neigh-



bour across the channel in the Land Act, by which the British Government intervened between the landlord and the Irish farmer, and assumed the power of lowering farm rents against the wish of the owner of the soil.

Individual property, in the modern civilised world, is, therefore, like all the other forms of appropriation which have existed, a social fact. If men have established it,—even though this was effected by virtue of a natural evolution, and in no wise under the domination of a preconceived idea, the laws not having intervened till later on in order to fix the custom,—it is because men have, or believed they have, found an advantage in it. As soon as their way of looking at things should change, nothing could, judicially speaking, interfere with the new decisions which they would think proper to form in order to change the social state.

At most, all they would be bound to do would be to take into account the habits contracted, and proceed with due precautions in the act of transformation.

And yet this necessity would not be forced upon them except from a practical point of view, and in order to avoid the over-violent shocks which would run the risk of preventing the reform from succeeding. As to the right, it is absolute, even in regard to what is most revolutionary in these measures, and it is laughable for people in such a matter to talk of spoliation.

Spoliation exists when, in a settled state of society, a man is despoiled of what he possesses by virtue of laws which are allowed to subsist, and which are professedly held in respect. Confiscation, for instance, is robbery. But when you lay hands on the edifice, and change the state of things, it cannot any longer be a question of spoliation, but of total change in what exists.

The feudal lords were not despoiled because feudalism was suppressed. The French Church was not despoiled when its property was taken away and replaced by stipends provided for by the national budget; neither will the same Church be despoiled when, by decreasing the taxes by the amount which the maintenance of the various religions cost, and by granting the citizens the right of association so that they may freely come forward to

support the expenses of their sect, all the churches shall be separated from the State; the slave owners were not despoiled when slavery was suppressed, although an isolated planter in the South would have been entitled to say that he was robbed if his slaves had been confiscated, and slavery allowed to subsist; a king is not despoiled because a country proclaims the Republic, but he is despoiled if the power is given to an usurper.

Society has the undoubted, absolute right of completely transforming itself. This right cannot therefore be denied to the revolutionary Socialists, subject, however, to a two-fold condition, *viz.* that they shall bring to mankind something better than that which it possesses, and that the great majority of men shall be convinced of the righteousness of the new principles, and shall accept the transformation required by them. Indeed, one could not, in any degree, allow a factious minority, taking forcible possession of power, to use violence in order to force upon any country whatever a social overturning which that country would not require.

However, such a danger is not to be feared, because if a government by minority can be forced upon us, and can last while it only confers certain changes upon the political state,—changes on which there are almost no very decided opinions formed,—there would be against an unaccepted social revolution a force of resistance which would make it altogether impossible. But if the majority accepts it and wills it, no one has any prescription or any right to invoke against it.

A single reservation ought to be observed in regard to actually living individuals who, born under the existing laws, and not having been able to form a suspicion of their abrogation, would have no business occupation since they would have lived up till that time on their annuities. Society ought evidently to provide them with means of existence, like the Italian Government, which, after the suppression of the religious communities, granted a pension to the dispersed monks. But these are temporary conditions relating to the execution of these changes, and have nothing to do with the question of right.

The real point in dispute, solely and exclusively, is this: Does

the change bring to mankind something better than it already has?

To upbraid actual society is an easy task, and if it is not given to every one to do this with the scientific profundity of a Karl Marx, or with the passionate eloquence and powerful dialectic of a Proudhon, it is, on the other hand, given to us all to perceive the imperfections which do exist; there is no need for all that to analyse salaries and to seek out the causes of surplus-value. There are rich and poor: idle millionaires who dissipate their fortune in vice, whilst there are laborious and honest workers who die of hunger for want of work; this fact alone impeaches society, even as the existence of the natural inequalities, not only between men but between animals, impeaches creation. All this is clear to the eyes of the least observant. But that is not the point. What must be shown is that these imperfections are not, in part, inevitable; it must be shown that it is possible—not as everybody hopes, and as experience demonstrates, to attenuate these imperfections by successive improvements—but to cause them completely to disappear by means of a radical cure.

We should not, therefore, have stayed to refute the criticism of capitalistic society made by Karl Marx and his disciples, if that refutation of the fundamental principles on which the criticism is supported did not furnish some important elements for the discussion of the organic part of their doctrine,—of that part, namely, which deals no longer with the demolition of what exists, but with what is proposed to be substituted.

Indeed, it must be understood that we do not in any way bring forward our refutation against the theories of those who, whilst attacking society, cry aloud for a social revolution without knowing what they shall do after having made it. This anarchic Socialism is unworthy to fix, even for an instant, the attention of thinkers; we may add that it is not worth the trouble of consideration. No society will allow itself to be led to destruction without knowing what is to be put in the place of the things destroyed. Revolution is not an end, but a means; it only ceases to be an attack on the rights of all when the end aimed at

is clearly known, and when that end is so much desired by the country as to be in conformity with the general feeling of the population in whose name revolution is made.

But there is nothing in the anarchist ideas to cause disquiet. No doubt, in particular circumstances which cannot be foreseen, upheavals may take place, some persons may be injured, and private fortunes may be attacked; but these cyclones pass away, and leave after their departure the social machinery as intact as though nothing had occurred.

Those alone deserve to be treated seriously and to have their views discussed who form the theory of a clearly defined new society,—who, whilst inviting us to make a revolution intended to free us from the existing order of things, tell us distinctly what they propose to put in its place.

The old metaphysical Socialism,—which had Fourier, Saint Simon, and Cabet for its high priests,—has vanished. There remains at this moment only one methodical Socialism,—the Collectivism founded on the pretended economic law which Karl Marx is said to have discovered.

Through study and discussion, what amount of vagueness there was in the conception of Socialism has disappeared, or has remained the portion of the class of Socialists of whom we said just now that there was no need to trouble oneself about them. The ideas have matured and become distinct, and we now clearly know what it is Collectivism would bring about. This fact enables us, by mastering the principal features of the projected society, to present, as though it existed in fact, an analytical and scientific criticism thereof.

## CHAPTER II.

### ON THE DISTRIBUTION OF WEALTH UNDER COLLECTIVISM.

THE Collectivists are struck, above all, with the inequality which exists in the distribution of wealth. This is the problem which they wish to deal with. They do not propose to bring about a more intensive production, but a better distribution.

We firmly believe, for our part, that they are mistaken, and that, if they succeeded in their projects, they would perceive that they do not make a more equitable distribution than exists to-day, but that they would have much less to distribute.

In order that the Collectivist distribution should be better than ours, it would be necessary for it to have a basis, a rule absolutely different from that which prevails in our days.

The brutal and authoritative Communism of Babeuf had found such a rule. It suppressed liberty of consumption even as it suppressed liberty of production. It consumed in common as it produced in common; properly speaking, it suppressed distribution. It made of mankind a great monastery or a great barrack; but a monastery without the lever of religion, a barrack unsustained by patriotic love, and which was only maintained by discipline. Fraternity was invoked, it is true. But we know what has to be thought of fraternity as a means of social organisation. This Communism aroused the horror of the human race; it became hateful because it had done away with liberty, which is, by far, the first and the greatest of advantages. That system disappeared. It is a dead doctrine. It has given place to modern Collectivism.

Collectivism does not propose to destroy liberty of consumption. It wishes to leave this intact (we shall examine later on whether these claims can be justified) and to interfere only with liberty of



production. For that reason it is obliged to make a distribution of produce, and requires a rule in accordance with which that distribution might be made.

Such a rule Karl Marx believed he had found in his theory of value and in the substitution of labour notes for metallic money; but it will suffice to recall to mind our chapter on value to recognise that he has not in the least made such a discovery.

In fact, Marx—and his disciples on this point have been more explicit than he—does not admit equality of wages. He recognises that there exists some labour which ought to be better paid than others. His commentator, Schäffle, goes even so far as to admit that, outside the greater effort to which such labour will give rise, and which would justify a higher remuneration, utility alone will intervene in order to fix the value of the labour hour.

We do not wish to ask whether the ferocious equality of a Collectivist majority would easily accommodate itself to that difference of treatment, founded as it is on utility alone, and certainly on an utility which the masses would not understand.

We believe that the masses would not understand that utility, because it would result simply from the necessity of providing some industries with workers, although in fact the labour in those industries would not, perhaps, be more arduous than elsewhere, circumstances alone having for the moment turned aside the supply of labour. It is clear that this social necessity, based on statistics, would not be apparent to one who would not have made of these facts a particular study, and that the less paid workers would raise an outcry and refuse to accept such inequality of treatment. How, therefore, will this inequality in estimating the social value of the different hours of social labour be determined? Upon whom will the task devolve of saying to a worker, who shall have worked six hours,—“Here is a note for three hours’ labour,” and of saying to another worker, who shall have worked during the same time,—“Here is a note for six hours?”

Will it be the State functionaries, the superintendents of labour? Will there be in this estimate an arbitrary fixity?

If so, what a number of unmerited favours, which would render

society not worth living in! We complain of the nepotism of our time, a nepotism necessarily limited by the very limitation of the objects to which it is applied. What would this be in comparison with the universal nepotism under Collectivism? No one, indeed, will maintain that Collectivism is called upon to change the heart of man, and that,—when the social workshops shall have been established,—the loves, the hatreds, the jealousies, and all the passions, high and low, which, in our days, intrude upon and interfere with the abstract feeling of justice, will cease to exist.

Will it be said that the elective system would be a sufficient guarantee against the subversive passions? But on the one hand there is nothing to prove that society would preserve the elective system. Schäffle on this point makes the most definite reservations.

On the other hand, experience shows us that, for the last twenty years, the elective system, far from being a guarantee against favouritism, tends, on the contrary, to exaggerate it. A despot would, perhaps, be able to stifle his feelings of friendship and of hatred, and be just and inspired with nought but truth, although this may be very difficult; and it is rare to meet with despots placed on such an elevated plane. But one who is elected cannot do this. He is bound to be partial on behalf of his electors as against his adversaries. If he does not do this his power is broken. Here injustice forces itself almost as a necessity.

In fine, if even one supposes a power wielding a great authority, thoroughly honest and thoroughly intelligent, a power only inspired by social necessity and the general interest, how will such a power be able, with the best intentions in the world, to estimate the amount at which it is just to reward the hour's labour of a mason, a bootmaker, a labourer, or a night-man? How will it be able to modify its estimate every day according to circumstances? This is a problem beyond the power of man. If favouritism disappeared, it would only be to give way exclusively to chance and hazard, which are not better representatives of equality and equity than favouritism.

We have seen that the Collectivists have found out the weak

spot in their armour, and have taken care not to fall into the error of fixing the rate of wages. M. Deville declares very clearly that it is supply and demand, and supply and demand alone, which, at to-day, will determine the value of labour. But if such is the case, what change will there be from the society of to-day, and how will this unhappy supply and that no less unhappy demand, which to-day are laden with all the sins of Israel, suddenly become pure from all reproach, when the socialisation of the instruments of labour will have taken place?

To-day the workman who is discontented can go elsewhere. The field is wide. Thousands of workshops call for hands. In spite of that, he may become the victim of the crushing force of capital, although that force may be distributed amongst capitalists who do not know each other, who do not care for each other, and who have no understanding together.

To-morrow he would have in front of him one sole producer, —the State. He would be altogether obliged to accept its conditions, whatever they might be. He would find himself in the position of the producers of tobacco in France,—bent under the yoke of the State.

The law of supply and demand would not only not be free from its defects, but these would be increased a hundred-fold by the fact that there would only be one capitalist.

The Socialists will not fail to object that the great evil of society to-day consists not in the differences in small sums which may exist between the wages of such and such worker. They will say that the vice of the capitalistic distribution consists in the fact that the capitalists receive without working, and thus carry off an undue portion of the fruits of labour.

We have already explained this point, and have demonstrated that the amount deducted by capital is infinitely less considerable than is supposed, and that that deduction is legitimate.

But, legitimate or not, it is clear that society would have the right to get rid of a service for which it would too dearly pay. And it would pay for it too much, if, however cheap it was, society could obtain it at a lower price.

Let us see what result in this respect Collectivist society would yield, and whether from that point of view it offers to us an advantage over what exists to-day.

It is said that by making common property of the instruments of labour, dividends, interests, and profits, and, consequently, idlers, will be done away with. Everybody will be compelled to labour, with the exception of the invalids and the aged. Here, already, a pause is necessary. The invalids and the aged will be free from labour. Quite so, and as to the aged, nothing need be said, age always being easy to determine; but how about the sick?

All the idle, all the do-nothings will call themselves invalids; and how will it be possible to ascertain whether really they are invalids or not? There will be seen reproduced, on the most gigantic scale, what takes place actually in the army. Physical infirmities, easily ascertainable, do not give rise in the army, and would not give rise in Collectivist society, to any kind of difficulty. On the other hand, the affections so numerous and so manifold of the nervous system, more painful a hundred-fold for those affected thereby than physical infirmities, but which do not show themselves and are not outwardly perceptible—how shall we be able to ascertain these, and check the statement of those who pretend to be thus affected?

Will one believe on their mere word those who will say they are stricken with such infirmities? In this case what a number of idlers living at the expense of others! The actual amount levied by capital is nothing in comparison with the idling consumption which will be produced to-morrow.

Will one systematically refuse to believe the parties interested? Then, what a number of innocent victims! What a number of sick and infirm to whom it will be said,—“Either work or die of hunger!”

To-day the sick man who is rich spares himself all labour without having to ask help of anybody. As to the poor man, whose sickness is not perceptible, he has not, face to face with him, the harshness of an administration. He finds, in the multiplicity of

the individuals to whom he is able to apply, and in the varieties of their character, the means of finding for himself some succour which may place him, if not in a state to live, at any rate in a state so as not to die. Even public charity is drained by many unworthy objects who succeed in hiding their idleness under apparent infirmities.

To-morrow everything would take place with military rigour,—“work or die”; it would be impossible to get away from that alternative. Besides the superannuated workers, there are the less capable, the feeble, those whose labour is less intense and less productive. To-day, the workers are all brought together in the factory. All belonging to the same trade, except when the pay is by the piece, receive an equal wage. The master knows that an average is produced. On this he calculates, without concerning himself with individual differences.

As for the worker, he receives neither more nor less—even when he is at piece-work—whether the man by his side works more or works less. Capital alone is interested in the fact that labour should acquire its maximum intensity. Thus, no control is exercised from worker to worker.

To-morrow all will be reversed. The property-holding capitalists will be replaced by functionaries, directors, or overseers, and these will have only a secondary interest in exercising superintendence. The workers, on the contrary, would have the greatest interest in over-estimating their hour of labour, and in depreciating the labour-hour of others. There would ensue in the workshop a vital competition which would create a system of universal underhand accusation between the men.

Fraternity would not correct these abuses any more than it corrects those which manifest themselves in our day. Any one who knows the harshness with which a toiler becomes capitalist, be he worker or peasant, carries on his superintendence of the wage-earners, and how he exacts from them the greatest effort possible, may conceive how little can be expected from human sentimentalism. On this point the attempts of 1848 are convincing. At that time, numerous working-class associations were



constituted, subsidised by the State, which provided out of the national budget a credit of three million francs for that object. Fraternity was the basis on which all those co-operative bodies were established. One of these, the co-operative tailors, was more inspired even than the others with the ideas of Louis Blanc, and substituted day-work for piece-work. It was hoped that the natural check offered by those interested would suffice to maintain their zeal, and that fraternity would prevent this check from degenerating into espionage and oppression. Nothing of the kind took place, and, according to M. Feugueray, who has written a history of the working-class associations of that time, the superintendence degenerated into such violent and acrimonious recriminations that the workshop became a hell, and it was necessary to re-establish piece-work. This means alone enabled the members to make their mutual companionship tolerable, and restored peace amongst them. And yet, in 1848, fraternity overflowed in every soul. We may gather from the facts what would become of the mutual check under Collectivism.

Thus, the difficulty of fixing the value of the hours of labour; the difficulty of taking into account the infirmities, the maladies or relative incapacities; the difficulty of organising a superintendence which might not degenerate into espionage—such are the first obstacles with which distribution would come into collision under a Collectivist society, and which would cause the revival, on the one hand, of the idlers who had been destroyed on the other.

There would be another important cause, though of a different kind, of unequal distribution. In Collectivism, in the same way as in capitalist society, the labour of direction and of distribution would be required. On whom would this labour devolve?

To-day it falls to the lot of the free capitalist, to-morrow it would belong to the State.

But the State is an impersonal being, who cannot act except through certain persons interposed, that is to say, through functionaries. We should therefore see a daily increasing crowd of employes of all ranks. Things would happen—but on a gigantic scale—even as they do in our days in the public administrations,

and the spectacle which these offer is not calculated to inspire us with the desire of making them still more numerous.

What do we see to-day? A functionary is only dominated by one fear,—that of being considered useless and of seeing his post done away with. His whole intelligence is perpetually on the stretch concerning this rock to be avoided; and the best means of warding off the peril consists in continually swelling the importance of his duties.

If an office consists of two employés, one of them may be removed and the second may be transferred to another office, two services being thus blended in one, and in that manner the economy of a head clerk or an assistant being realised. But the chief and the assistant hold that such an economy would be deplorable, and their only aim is to make it impossible. To achieve that end it is sufficient for them to have from ten to a dozen employés instead of two. The latter will perform no more productive work. All that will be done, so as to appear to utilise them, will be to augment the number of idle formalities. But observe that they are ten in number; and how could the idea come into the mind of anybody to get rid of a service of such great importance! Therefore no effort is neglected to bring about this result, and as nothing can withstand the patient and persistent action of a head of department, who makes everything converge towards the one end, his wish never fails to be realised sooner or later. In this way the number of officials, that is to say, of the unproductives *par excellence*, increases year by year.

This fact continually crops up. It is an unconquerable law that bureaucracy breeds bureaucracy, as formerly, in America, the slave states bred slave states. This is one of the plagues of our existing French budgets, against which all our financial commissions are powerless, as are all our ministers, and for which there only exists one remedy: to remove as much as possible from the Government what is not strictly within its province, and to take away from the State as much as can be taken on behalf of private initiative.

Now, what the Collectivists propose is quite the contrary.

They want to make the system of government control general, by subjecting the whole of production to public administration, and they wish to multiply in this manner a hundred-fold and more the abuses of all kinds which this system, wherever it is practised, brings about in our day. Capitalism, so far as private property goes, would be abolished. There would no longer exist either pensioners or shareholders, nor happy mortals drawing dividends, no doubt, but interested by the very enticement of these dividends in promoting the general production; but there would be, as a set-off, employés without number; functionaries—vain-glorious, insolent, and doctrinaire—who would know how to estimate, advantageously for themselves you may be sure, the value of their hour of useless labour, and who would live comfortably without doing anything, or at least without doing anything truly useful and truly productive.

The worker would no longer break his heart in saying to himself that M. Lebaudy accumulates capital; but he would give quite as much surplus-labour—to employ the language of the Marxist school—and perhaps he would give even more of it—only to obtain the same portion, or a smaller portion, of the total production.

It may be asked whether interests and profits of all kinds would possibly be extinguished, or, rather, whether these would be preserved and added to the governmental squandering, and made in themselves unproductive.

As soon as Collectivism proposes to respect liberty of consumption; as soon as it allows possession—provided this is confined to the purposes of consumption, and on-condition that it is not devoted to production—from the moment in which it allows—and Schaffle is emphatic on this point—gift and even inheritance, it follows, as a-matter of course, that it would also allow gratuitous lending.

Now, gratuitous lending, if duly authorised, may reconstitute usurious saving, that unproductive and injurious saving which is generated like an evil-working parasite wherever industrial liberty does not exist.

As soon as the simple Communism of Babœuf or of Cabet is cast aside—and it is so, for good cause, mankind not wishing even to tolerate the mention of it—the differences observable amongst men to-day would be reproduced under Collectivism. There would be workers whose hour of labour, paid very low, would make saving difficult; there would be others, on the contrary, to whom that saving would be made easy by the high value placed upon their hour of labour.

There would be some devotees of joy, who would spend every day their wage of yesterday, and some saving people, and misers even, who would pile labour-notes upon labour-notes. What could prevent one of these spendthrifts from borrowing from one of these misers, and who would be able to forbid the miser from granting a loan?

Agreed, but without interest, the Collectivists will say. Doubtless without legal interest. But to-day also the law proscribes, if not interest, at least an usurious amount of interest. Have these laws ever prevented usury? We convict, certainly, here and there, a usurer, when the proof of the offence is palpable—evident. But for one who is caught, ten thousand escape. Lend a hundred francs to a needy man. I make no stipulation about interest; but whilst I make him sign a bill for one hundred francs, I only give him ninety-five. The interest is mixed up with the principal and escapes all search, all inquiry. Therefore usury has never been killed by laws passed against it, but solely by the possibility for the capitalists of finding for their capital a worthy, honourable, and useful employment. It is not the legal limitation of the amount of interest which, in our days, has made usury almost disappear. It is the development and the security of commerce and industry.

In the Collectivist society—capital no longer being able to be useful as a means of production to individuals, but only to the State—saving would reappear in the disastrous character it bore during barbarous times,—hoarding and usury. It would not cease, under that form, to be productive for the individual, but it would cease to be productive for the nation, and would even be, for the latter, a real gnawing canker.

Facts, on this point, confirm the theoretical deduction. We have already spoken of the agricultural communities which exist in Russia under the name of "*Mir*." Now, on the confession of all writers who have dealt with the "*Mir*," however sympathetic they may have been to the institution, usury has developed itself there, and with so much force that the usurers have gained a special name: they are called the "eaters of the *mir*."

Could even productive capitalisation be prevented? The thing does not seem easy.

There, for example, is a worker who will have put aside for the future, in labour-notes, a considerable sum, in order to enable himself either to live without work, or to enable some other person to live during an indefinite time.

On the other hand, a man with a fertile imagination, the author of a discovery which the State has rejected, calls on him. Desirous of employing himself exclusively on the construction of his machine, and to leave, for a time, the general workshop, in order to apply himself with greater freedom of mind to his particular experiments, but not possessing any reserve funds, he asks the man who has such funds to yield him a portion of his money of the new kind, in exchange for the promise made to him of a part of the benefits which should accrue to the inventor, if his machine succeeds. The other accepts. There is a little association formed within the great. There is a little capital which carries on its work. There, too, are interests or profits—for at bottom they are all one—reconstituted to the advantage of this capitalist in miniature. And as capital knows how to multiply rapidly, we shall very quickly see some private enterprises established under the nose of the national administrations, which will be easily beaten in this competition.

Will this contract be declared illicit? All the inhibitions will not prevent it any more than they have succeeded during centuries, at the Stock Exchange and in commerce, in suppressing credit transactions, by refusing to grant them the sanction of the law, or even by proclaiming penalties against them. The only means by which to oppose that form of capitalisation would be



to abolish the profits of the inventor, by refusing to reward his discovery, or to set one's face against accumulation by decreeing equal pay, and by reducing that pay always to a minimum.

But the first of these means, at the same time that it would be the fatal suppression of all progress, would only have the effect of promoting purely usurious accumulation by the elimination of all other possible forms of accumulation, and the second would go in the teeth of the ideas of the school which seeks not the equalisation of salaries, but their elevation.

Be it noted that we only cite here some examples to show the process whereby interest and profits would manage to introduce themselves in Collectivist society. But the number of these processes is as unlimited as the resources of human intelligence and the combinations it can bring about.

We may quote another example as striking as the preceding.

Commodities will not have an uniform value under Collectivism. If we content ourselves with the theory of Marx on value, it is clear that, after a bad harvest, the value of wheat or the value of wine would rise, seeing that a like quantity of these products would represent a more considerable average of social labour, the total labour having been the same, and the harvest less productive.

From that point of view, what would prevent a far-sighted citizen from taking advantage of his savings—since buying would be free—and from buying wheat or wine before the harvest which he apprehends will be bad, and afterwards from selling again these provisions to his neighbours, allowing them a reduction on the prices (I make use of this term, for it would still be a price, whatever one may say, and this expression is convenient to use) at the general shops in order to attract their custom? These dealings would be forbidden, illicit, no doubt. But the smuggling of tobacco is also forbidden and illicit to-day, which does not, however, prevent the same from taking place.

The liberal professions would be another cause of unequal distribution. Fourier suppressed law proceedings and sickness, but the hopes of modern Collectivism do not go so far. In the

society which it wishes to build up there will be civil cases, considering that ownership in objects of consumption and even inheritance are preserved. There will be criminal cases, for you cannot suppress either the vices, the evil leanings, nor the passions of men. There will be sickness. There will, therefore, still be judges, lawyers, and physicians.

Will these lawyers and physicians be functionaries paid by the State? Some say yes; others say no. In fact, it is difficult for them to be so. A great doctor or a great lawyer, giving his service gratuitously, would be in demand everywhere at the same time, and as he would be unable to fulfil his task, he would be compelled to circumscribe his area. Every lawyer, therefore, would have his circle, and each physician his, in which, and exclusively in which, he would have to move. From that moment the citizens would no longer have the right to be defended, or to have themselves cared for, by whomsoever they think fit to have. This would be something altogether inadmissible, and one would be inclined thenceforward, as Schäffle proposes, to leave those professions free wherein labour is exercised without capital.

But if such is the case—and it could hardly be otherwise—how could one prevent the well-known physician, the lawyer much sought after, from insisting on being very dearly paid in labour-notes, and from exacting from the social revenue an incomparably greater part than that of the mass of labourers?

If lawyers and physicians were made functionaries, and if it were proposed to limit their area and forbid them from receiving salaries from outsiders, the case would not be further advanced. One would have laid hands on liberty without result. It would not be possible, in fact, to intrude at the bedside of the sick, or in the private study of a man worried with a lawsuit; and it would be impossible to prevent either the one or the other, in the hope of being the object of more assiduous care, from adding a personal fee to the remuneration of the Government.

Collectivism would suppress neither interest nor profits; but they would be changed from the useful things which they are nearly always to-day—in a great number of cases at least—into an

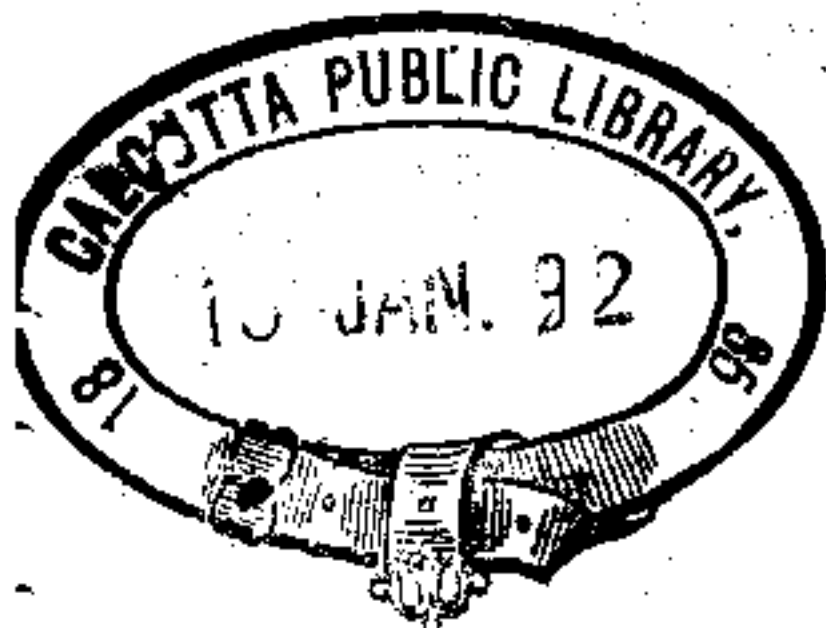
useless and even injurious tax on the general production. It would give rise, on a gigantic scale, to the swarms of abuses which the State administrations already offer to us.

It would produce an incalculable crowd of functionaries of all kinds, who would live handsomely at the country's expense, and would replace with advantage—for themselves, be it understood—the quota of the national produce enjoyed to-day by the capitalists for their consumption.

It would allow the inequalities in the pay of labour of divers kinds to remain, and would create for the liberal professions as many advantageous positions as those which exist under the most capitalistic societies.

In a word, in the society to which the disciples of Marx urge us forward, the distribution of wealth would be neither more equal nor more just than is the case to-day. The *corvée*—seeing there is a *corvée*—the surplus-labour—would hold as large a place therein, perhaps a larger. And as the *raison-d'être* of Collectivism is to better distribute the social wealth, and as it has, in reality, no other object, it is clear that, if it fails in that task, it lacks altogether any basis.

It now remains to enquire whether, failing in the work of distribution, it may not, at the same time, fetter production and progress; whether it is able to respect, as it hopes to do, the material and moral freedom of the individual; whether it may not create difficulties of all kinds in the way of commerce and international relations; whether, in a word—powerless to attain the useful end which caused it to be conceived—it may not produce a crowd of disastrous consequences, by which no society could fail to be affected.



### CHAPTER III.

#### ON THE PRODUCTION OF WEALTH AND ON PROGRESS UNDER COLLECTIVISM.

WE have shown, in the preceding chapter, the direction of industry, of science, and human progress handed over to a hierarchy of functionaries, from which it would be incapable, even partly, to escape, except by breaking now and then the meshes of the Collectivist net. We have established that these meshes would often be broken, and from thence we have drawn an argument against Collectivism, which would always have within it the germs of dissolution. But it is clear that the Collectivists cannot bring forward these infractions of the system as the means of correcting it and eliminating its imperfections. We have, therefore, the right, when we study the effect of Collectivism on the production of riches and on progress, to reason as though—Collectivism having implanted itself in all its rigour—none of these infractions, which we have seen to be fatal, ought to have taken place. If these infractions occur, it is clear that the evil effects of Collectivism can be diminished; but in that case, Collectivism will be imperfect, and that would be an inadmissible defence of a system which should consist in reckoning on its imperfections in order to perfect it.

So, then, we shall reason here as though Collectivism were at work in all the vigour of its principle, and we may say, consequently, that all direction of industry, all scientific progress, would be handed over to that immense body of mandarins—appointed probably by competition, as in China—and which, whatever in other respects would be its mode of recruiting, would completely crush the whole of mankind.

Further than that, Collectivism, we must not forget, is conceived

in order to suppress the surplus-value which the capitalist appropriates, and in order to cause the worker to benefit thereby.

It is difficult to perceive, in these conditions, the elements of an ever-increasing production, and the instruments of that scientific and industrial progress which constitute the greatness of the modern world.

To-day a colony is opened out to civilisation. At once some adventurous capitalists take from their surplus-value—from that part of their surplus-value which they do not consume—sufficient capital to fertilise this field of colonial enterprise, provided that, as, unhappily, it nearly always occurs in France, the State does not fetter them by its mania for making regulations.

An inventor conceives a new idea. He makes a fruitful discovery. How will this idea pass out from the lobes of his brain into application? The thing is very simple. If he is rich he will devote a part of his fortune to bring his invention to a successful issue. If he is poor, and his idea is a good one, he will nearly always end in meeting a speculating capitalist who, desirous to increase his profits by a risky enterprise, will provide him with the necessary sums to bring the thing to realisation. The love of what is improperly called gambling, because of the part therein played by hazard, and which should be called speculation, will here play its salutary part. This capitalist will, perhaps, prune off from the inventor somewhat too large a portion of the benefits to which he is legitimately entitled; perhaps he will cut off for himself too large a slice; but, in short, if the discovery is useful, it will see the light, the whole of mankind will benefit thereby, and the inventor, even after yielding capital a part of the fruit of his genius, will yet gather therefrom some considerable profits.

With Collectivist-Socialism nothing of this kind will any longer exist.

First of all the accumulation of capital ceases; and when a continent is opened out to civilisation, the resources are lacking for undertaking the colonisation.

In the same way as in a public company the shareholders, when



they are not withheld by an energetic and interested board of directors, feel a repugnance to create reserve funds, and tend towards the integral distribution of the profits, so the socialised worker will feel an invincible repugnance to the accumulation of capital, and will demand that all the products of the year should be distributed. He will attain that end either by the gradual augmentation of salaries, or by a progressive diminution of the labour-day, or even by these two methods combined.

The formation of capital will be arrested by such an insurmountable obstacle, and with it new enterprises that produce wealth.

As to discoveries, it will be worse still. The inventor will have to struggle not only against the penury of capital, but against this factor combined with administrative routine and inertia.

Just think of Fulton offering his steamboat to Napoleon I., and remember the disdain with which the Institute of France rejected his idea as contrary to the laws of science!

I myself remember an illustrious savant who demonstrated to me the impossibility of establishing a trans-oceanic telegraph, eight or ten days before the first despatch was transmitted from New York to Valencia. According to him, the currents of induction would prevent the transmission from taking place, and the capital which had been brought together for the construction and the laying down of the cable was so much capital wasted. Let us suppose this savant consulted by a Collectivist state on the expediency of constructing the first cable and throwing it across the ocean, and then say what counsel he would have given, and what would have been the action taken by the financial authority in regard to such an advice!

Nor would it be possible for things to happen differently. The number of inventors is immeasurable; every fool invents. The total amount of propositions that are put forward on this head is incalculable. A government would not consider it had the right, and in fact would not have the right, to fritter away the public wealth in experiments full of uncertainty and risk. Except in some cases altogether exceptional, it would reject them all.

Besides, the administration is in its nature opposed to change. When an employé has acquired the habit of a given kind of labour why should he make an effort to change it? The individual capitalist makes this effort because he is incited by the advantage which he foresees at the end. But can we say this of the Collectivist functionary? The success of the machine that is brought to him will neither increase nor diminish the value of his hour of labour. Why should he trouble himself? He will find it infinitely more easy to decree the major excommunication against the inventor in the name of the principles of a routine science; and progress will be gagged even before it has seen the light.

Besides, for what reason should the invention itself be produced? In society to-day, the thinker who conceives an idea, or discovers a new instrument, is impelled thereto by the enticement of gain. He constructs a steam engine which will diminish by one-third or by one-half the consumption of fuel; what a magnificent field of profit is offered to his activity! He will labour and make discoveries, and with the ardour given by the hope of profit, he will force his conviction on the most restive recalcitrant capitalists. But when the instruments of labour shall be socialised; when the time devoted to a discovery will not be worth more than the time devoted to any ordinary labour, why should the inventor wear himself out at inventing? In view one might say, of some decoration,—of an honorary reward! The value attached to these trifles can only diminish more and more in proportion as the intelligence of men is raised; and if social distinctions still flatter men's vanities, they are not sufficient to determine the performance of great efforts. They are claimed with insistency as soon as the effort is made; but they do not produce the effort itself.

Will the Socialists tell us that they would encourage discoveries by granting considerable rewards, labour-notes with profusion,—that is to say, enormous means of enjoyment,—to inventors, as well as to the engineers who would have noticed the discovery and made its introduction possible?

Very well; either those subsidies, like to-day the rewards offered by the Institute of France, will be awarded to the author

of an allotted task, the object of which will have been fixed, or the reward will be applied to any discovery whatever.

In the first case, we have the right to ask, seeing the paucity of fertile efforts which the rewards of the Institute have ever produced, whether the rewards of Collectivist society will be endowed with more attractions, and will give better results. There is small probability of this, because the object which will have been fixed will never be realised. It will be something analagous to the three hundred thousand francs promised to whomsoever will discover a remedy for the phylloxera. The remedy is discovered. There are several of them even: immersion, sulphide of carbon, sulpho-carbonates, and the plantation of American vines. But as these results are in no way absolute; as they have been obtained by an extreme multiplicity of experiments; and as perhaps the best means of warding off the evil, *viz.* the plantation of American vines, is not, properly speaking, a remedy; as, in short, no one is able to say,—It is I that stayed the scourge, no one has had, and no one will have, the three hundred thousand francs.

If, on the other hand, a fund were voted to reward all inventors and functionaries who would notice the discovery—the nature and object of which would not have been stated beforehand—people would fall into the contrary error. Everybody would bring forward a new idea. This idea would be nearly always accepted, and the funds of the State would be squandered in the study of a crowd of absurd enterprises.

At the present time, if the capitalist is pushed forward by the allurements of gain, he is held back by the fear of loss; and these two opposing sentiments establish a just equilibrium, which allows the fruitful ideas to see the light, and prevents society from uselessly swallowing up capital in the search after any sort of philosopher's stone or perpetual motion.

In a Socialist state, on the contrary, this equilibrium is impossible. Either the absence of all enticement will cause everything to be rejected, or the absence of all fear will cause everything to be accepted. Either absolute stagnation or reckless waste. We scarcely see how the Marxists can escape from this dilemma.

Moreover, what would be the good of encouraging, by promises of subsidy, efforts which the form of society not only would be unable to stimulate, but against which it would, even from a material point of view, place many obstacles? In order to discover, it is necessary to reflect, it is necessary to think, to have one's freedom, to live a life very active at bottom, but often idle on the surface. The inventor must often leave the workshop or the laboratory to give himself up to the combinations of his brain. To-day he finds the means to do this in his capital,—if he possesses any,—and if he does not possess any, in the capital that is lent to him, for, if his idea be good in any way, it seldom happens that he does not succeed in bringing conviction to somebody. But to-morrow! He will have no capital, since nobody will have any. The State will not provide him with it for an idea in which no one will believe, and which all will put down to the score of idleness; and, supposing even,—which will seldom happen,—that, despite this lack of stimulation, he should be urged forward, by an exceptional force within, to search and to discover, the social surroundings will refuse him the material means of success.

Is it needful to speak of the intellectual profession,—of artists, of poets, of literateurs? Schäffle, so far as he is concerned, would also be tempted, in the same way as with the lawyers and the physicians, to allow the present *laissez-faire* let-things-alone principle to remain active here. The thing is easy to say,—it is less easy to do. Even in art, in literature even, there is a material side. A sculptor has need of tools, of clay, of marble, a cast, a studio in which he may yield himself up to his inspiration. A painter cannot do without brushes, colours, and canvas. For a man of letters, a poet, a musical composer, there is needed a printing press to spread abroad their works and to give these the publicity without which they are as though non-existent.

The sculptor and painter will, perhaps, be able with their labour-notes to procure for themselves colours, brushes, clay, and diverse instruments; but the man of letters will not have any other printing press at his disposal but that of the State, and he will be at the discretion of the latter, which will thenceforth have

the power of suppressing all literary production in opposition with the ideas of the moment.

We shall recur later on to this frightful threat to liberty, which even the political system of Napoleon I. did not venture to utter. But, without concerning ourselves at this moment with a point so important and so grave, whilst admitting the existence of a liberal State which might consent to give publicity to the most violent satires directed against itself, there would always be the double danger which we have pointed out in regard to discoveries.

Either the State would print all that would be submitted to it, or it would make a choice. In the first case, it would print all the idiotic nonsense and all the rhapsodies that one can imagine. Whoever has filled a somewhat prominent post has had the opportunity of seeing how many absurd things—as stupidly thought as they were badly written—would see the light if this depended only on their authors, who always believe that they have been delivered of a *chef-d'œuvre*.

To print everything that is offered is impossible: it would be a frightful waste, of which no one can form an idea.

It would, therefore, be necessary to make a choice between the diverse production of the mind, to admit these and reject those. What arbitrariness!—Woe to him who will not submit to the taste of the moment! Victor Hugo certainly would have seen the printing presses closed against him by the classics of 1830; and Zola, in our days, would have experienced many difficulties in overcoming the obstacles piled up before him.

What would happen would be something analogous to what takes place in the theatrical world when a new author puts a play forward. One knows all the difficulties which it is necessary to overcome. But under Collectivism the difficulty would be very much graver still. There exists to-day different theatres, different directors, and what is rejected by one is accepted by another. In the new society there would be a committee of arts, of sciences, or of letters. When a man would not have the luck of pleasing this committee, there would be nothing left but to bow submission, and there would not exist any other door at which he could knock.



Is it possible to conceive a *régime* more opposed to the unfolding of talent and genius, and more prone to produce a crushing uniformity? Collectivism would kill artistic progress, literary progress, scientific progress, and industrial progress. It would say to mankind,—“Thou shalt go no further,” and by that extinguisher placed upon all the men of *élite*, whilst killing invention, suppressing emulation, causing a beneficent speculation to disappear, and preventing the accumulation of capital, it would deal a fatal blow to production. We have already seen that it would distribute as badly as, perhaps in a worse manner than, the existing society. We have just seen that it would produce much less abundantly, and that, consequently, not having a better principle of distribution, it would have less to distribute.

These considerations alone should suffice to cause every sensible mind to reject it. But these considerations are not the only ones that plead against this mischievous chimera.

## CHAPTER IV.

### ON LUXURY.

WE have just enumerated diverse causes which, under Collectivism, would have the effect of impeding social development. We find yet another in the fatal stoppage which,—by the fact of the equalisation of fortunes, and—even when this would not be the end wished for,—would interpose and smite consumption and, as a consequence, the production of objects of luxury.

We shall, perhaps, in speaking in this way, astonish the Collectivists, who see, in the suppression of the industries relating to luxury, a means of suppressing some useless labour, and of thus throwing back upon labour of general utility a crowd of workers who, at the present time, are diverted therefrom. They consider that the disappearance of luxury would have the effect of augmenting the abundance of objects of prime necessity, or,—what comes to the same,—of causing the duration of labour intended for their production to be diminished.

There is here an optical delusion which, besides the Socialists, many of the economists have committed, and which cannot resist a philosophical analysis. Under Collectivism, it is very true, we should perhaps succeed in displaying great luxury in parks, gardens, monuments, schools, and in all that would be of a public character. But there is a form of luxury which could never become collective,—the luxury of the house, of the clothing, of the table. This form of luxury would be condemned, and it would be a social misfortune.

What do we call objects of luxury? The objects which are of a very high price, and which, in consequence, are only within the reach of rich people.

But the dearness or the cheapness of an object is a matter of conditions and circumstances. An object is dear either because

it is naturally rare,—as the diamond,—or because it is rare industrially.

We may call industrially rare a commodity, the manufacture of which costs much time and trouble.

If we make abstraction of natural rarities, such as precious stones and metals, we shall have to recognise that a commodity that is rare to-day may cease to be so to-morrow, if the means of manufacture become perfected. It hence follows that what was sumptuary consumption yesterday is no longer so to-day, and that what is sumptuary to-day will cease to remain so to-morrow. The first house constructed at the epoch of the Troglodytes was a sumptuary consumption. It was certainly an object of luxury amongst all others; and, however inferior it was to the most pestiferous of our hovels to-day, it must have appeared a palace.

Similarly, the first woven fabric that enabled man to substitute for the skins of beasts clothing more comfortable and better adapted to the seasons was a sumptuary consumption.

Again, the shirt which Isabeau of Bavaria wore for the first time in the world, and the price of which must have been out of proportion with all that we are able to imagine to-day, when we picture to ourselves a shirt, was a sumptuary consumption. The first printed book, the first clock, the first portable watch, the first packet of paper was always a sumptuary consumption.

Sugar, coffee, tea, pepper, and all the numerous alimentary products which,—however refined in their tastes they were, or believed themselves to be,—the Romans and the Greeks never knew, were articles of sumptuary consumption.

Tobacco, when it was introduced into Europe by Nicot, was a sumptuary consumption.

Finally, the modest potato itself, that equalising vegetable *par excellence*, which adorns the table of the rich as well as that of the poor, when,—brought over to France by Parmentier,—it appeared for the first time at the royal table of Louis XVI., was a sumptuary consumption.

Now, if one considers these various examples, taken hap-hazard from among thousands, it will be noticed that there is not a single

one of the products that we have adduced which has not entered into general use.

Nobody any longer lives to-day in caverns. Everybody has the use of, if not actual property in, a cottage. Nobody any longer covers himself with skins of beasts. Even these have become articles of luxury; and the poorest, the most badly dressed amongst us, has clothing made up from an artificial texture.

Everybody wears a shirt; everybody reads a newspaper or a book; everybody possesses a sheet of paper to write a letter; watches have to such a degree become general that we find them in the pocket of the less fortunate of the workers; sugar, coffee, tea, pepper, are on every table; there is no workman, either in the fields or in the towns, who does not smoke his pipe, and the potato has become the most universal, perhaps, of all foods.

In a word, what yesterday was only within the reach of some well-garnished purses is now accessible to all men, and has entered into that minimum of individual consumption within which the population limits itself, and which serves as the basis of salaries.

But in order that houses, texture, shirts, papers, printed-matter, watches, sugar, coffee, tea, pepper, tobacco and potatoes should have become objects of current consumption, it was necessary that they should have begun, first of all, by being objects of luxury.

It was impossible, for example, for a book not to fetch an infinitely higher price on the morrow of Gutenberg's discovery than at the present moment. It was impossible for the shirt of Isabeau of Bavaria not to be more difficult to make, and not to cost, in consequence, much more than a shirt manufactured in our days.

If, under the pretext that these were objects of luxury useful only to certain people, their production had been forbidden; or if, —what comes to the same— the absence of large fortunes had caused their purchase to be almost an impossibility, they would never have been manufactured.

Wherefore should a weaver have striven hard in the weaving of a shirt only to waste time which no one would ever be able to remunerate? For what reason should a navigator have gone and

exposed his life, his time, and his capital, in order to bring back,—from the Indies, from America, from China, from Arabia,—sugar, tobacco, coffee, or potatoes, if he had not been sensible that there was a whole category of citizens in his country rich enough to buy his cargo, and thus to procure for him some profit? Evidently he would have preferred to remain at home, and to cultivate what his ancestors had cultivated before him.

Now, the first house once built, every one wished to have a house; the first piece of cloth once woven, the first clothing cut and sown, the first shirt made, every one desired cloth, clothing, and a shirt; the first bit of sugar, the first cup of tea or coffee, the first pinch tasted of pepper, everybody wanted to sugar or to pepper his foods, and to stimulate himself by infusions of coffee or tea; as soon as tobacco was imported, the pipe, the cigar, and snuff became an aspiration nearly common to all men; potatoes once known, there is no table where one has not wished to have them.

Industry, since that time, has exerted its energies and wrought wonders. Impelled by the desire to sell in greater quantities, and thus to enrich themselves, the producers have striven to perfect their means of production and transport. Oceanic navigation was established; agriculture enabled exotic vegetation to be acclimatised amongst us; mechanics have discovered methods which enable us to obtain in an hour what formerly cost months of labour, and thus the objects of luxury have become current objects; but they only became current objects of consumption, because they began by being objects of luxury.

If, then, ten thousand years ago, society had been organised in such fashion that luxury would have been impracticable, none of the progress which has been introduced amongst men would have been possible. We should still dwell in caverns, and we should still be clothed with untanned skins of animals.

It is certainly preferable that equality should have been violated in those remote times, and that somebody should have been able to procure for himself that which was not yet accessible to all, seeing it is due to that fact alone that these objects—



luxurious at the moment of their creation—are accessible to the masses to-day.

Proudhon, who will not be accused of not having been a Socialist; Proudhon, who first uttered these words,—“Property is robbery;” Proudhon who, like Karl Marx,—of whom, in this respect, he was the precursor,—made the criticism upon interest and on the profits of capital; Proudhon, with his vast intelligence, with his love of liberty, and his high sentiment of human dignity, understood the part played by luxury as he had understood that of speculation. The lines which he has written on luxury deserve all the more to be quoted, as they do not come from a bourgeois economist, but from a resolute despiser of modern society.

“Our laws,” he says, “do not bear the character of sumptuary laws . . . ; this is precisely the best feature of our laws of taxation. . . . You wish to strike a blow at the objects of luxury; you take civilisation the wrong way. . . . What, in economic language, are the products of luxury? Those products the proportion of which to the total wealth is the least; those products which come last in the industrial series, and the creation of which supposes the pre-existence of all the others. From this point of view all the objects of human labour have been, and in their turn have ceased to be, objects of luxury, seeing that by luxury we understand nothing but a relation of posteriority, either chronological or commercial, in reference to the elements of wealth. Luxury, in a word, is synonymous with progress; it is, at each moment of the social life, the expression of the maximum of well-being realised by labour, and to which it is the right, as it is the destiny, of all to attain. . . . What then! do you think the town of Salente and the prosperity of Fabriceus are worth consideration?

“Luxury humanises, elevates, and ennobles the habits; the first and most efficacious education for the people, the stimulant of the ideal with most men, is luxury. . . . It is the taste for luxury which, in our days,—in default of religious principles,—keeps up the social movement and reveals to the lower classes their dignity. . . . Luxury is more than a right in our society, it is a need; and that man is truly to be pitied who never gives himself

a little luxury. And it is when the universal effort tends to popularise articles of luxury more and more that you wish to restrict the enjoyment of the people to the objects which you are pleased to qualify as objects of necessity! . . .

"The workman sweats and deprives himself and squeezes out of his scanty earnings something to buy an adornment for his betrothed, a necklace for his little girl, a watch for his son, and you take away from him this happiness! . . . But have you considered that to tax the objects of luxury is to forbid the arts of luxury?"<sup>1</sup>

To forbid the arts of luxury! Proudhon has there placed his finger on one of the national dangers of the suppression of luxury.

Up to this point we have not concerned ourselves, in speaking of luxury, with the division of mankind into distinct nationalities. What we have said is true for all men, in all latitudes, in every climate. If all mankind were one single human agglomeration what we said would still hold good. But it would be possible in that case, and on looking superficially at things, that labour expended on luxuries,—despite their immense utility for the future,—might be considered as injurious, in the present, to the production of objects of prime necessity. This even is no longer true when, descending from these heights, and ceasing to look at humanity in its entirety, we consider it under the different nations which constitute it, and when, amongst these nations, we fix our eyes on that country which interests us most,—France.

The resources of France are not sufficient for her wants. She is obliged to import commodities from abroad, and these commodities she pays for with those she exports. Now, her principal exportations consist of objects of luxury. From the point of view of what we are agreed in calling objects of prime necessity, she presents a notable inferiority to many competing peoples. Whatever may be the cause, she produces more expensively than England, Germany, India, America, or China. Her cocoons are unable to compete with the Japanese or Chinese

<sup>1</sup> Proudhon. *Les Contradictions Économiques* (4th edit, vol. i.), pp. 284-286.

cocoons; her ironware, unless protected by custom-house tariffs, would not sustain the competition of English, German, or Swedish iron. Her wheat stuffs cannot be measured, so far as price goes, with those of Bessarabia, of India, or America.

But she produces objects of luxury better than any of her rivals. Amongst these there are some who with difficulty engage in the contest. Others, like Germany, are making efforts to establish this mode of production. They succeed sometimes with articles of quasi-luxury—with what one calls shoddy; but as for what constitutes true luxuries, they do not succeed, and it is to France that it is always necessary to have recourse. They do not succeed in putting into their work either the finish or the taste which our Parisian workers so well know how to impart.

It is with her products of luxury, so universally sought after, that France holds her place in the international market, and that she can export what is necessary to pay for the products of which she has need and which she imports.

When a Parisian workman makes an inlaid piece of furniture in perfect imitation of the ancient; when a workman at Beauvais makes a tapestry which vies in its beauty with the ancient tapestries; when a workwoman of Valenciennes weaves those magnificent pieces of lace-work so universally prized; for the world, these are carved furniture, tapestries, and lace-work that are manufactured; for France, it is wheat, wine, meat, potatoes that are produced, and that in a greater quantity than they could certainly be produced in an equal period of labour, if the workers had employed themselves in the cultivation direct of potatoes, vines, and wheat, or the raising of stock.

The suppression of the sumptuary industries, elsewhere than in France, would have the general inconveniences we have indicated. In France it would have, additionally, this enormous inconvenience: that, in suppressing the exchanges which are advantageous to us, it would impoverish us in objects of current consumption, and thus would run counter to the object which one proposes to realise, seeing that that object is none other than to increase production and to lower the price of those products.

## CHAPTER V.

### COLLECTIVISM AND LIBERTY.

SCHÄFFLE, who has endeavoured to describe Socialism such as it is in the mind of its authors, with the view of eliminating all unjust criticisms, Schäfte, who has presented a succinct but complete analysis of the Socialist doctrines, and who, whilst incontestably being quite sympathetic to Collectivism, does not dissimulate the weak points of the system, and often consents to bring those points forward, expresses himself thus :—<sup>1</sup>

“In brief, there is no reason to conclude that,—production being socially regulated and carried on under one control,—the determination of our wants should be so as well, and that, in that matter also, the State ought to continue its functions. We insist emphatically on this point, *for if Socialism wished to abolish freedom of individual wants, it ought to be looked upon as the mortal enemy of all liberty, all civilisation, and all intellectual and material well-being.* All the advantages which Socialism brings with it would not compensate the loss of that fundamental freedom.

“In dealing with Socialism it is therefore necessary, first of all, to examine it from this point of view. If it uselessly gives to its principle of production a practical corollary of such a nature as to endanger the freedom to maintain an individual household, it is unacceptable, whatever it may promise and offer to us. In fact, the actual order of things, despite its deformities, is yet a tenfold more free, and a tenfold more favourable to civilisation.”

The question is here well laid down, and that by one of the men who exalt Socialism the most. But it is extraordinary that, with his indubitable qualities as an analyst, Schäfte did not see that, in putting the question in such a manner, he had condemned Collectivism irrevocably.

<sup>1</sup> Schäfte. *The Quintessence of Socialism* (quoted from the French translation by Malon), p. 47.



His French translator, Malon, perceived this point. He therefore hastened, below the passage which we have just quoted, to place the following note :—

“J. Stuart Mill, in his *Principles of Political Economy*, after having closely criticised authoritative Communism, added in effect,—If, however, it were necessary to choose between Communism with its chances, and the maintenance indefinitely of the present system, I would much prefer Communism. J. Stuart Mill was right: an equalising organisation, whatever that organisation may be, would be superior to the reigning social plundering, which so many oppressions, so many iniquities, and so much suffering illustrate.”

More imaginative than logical, Malon believes in the possibility of an organisation that would enforce equality, and he chooses between equality and liberty. He does not see that an equalising organisation is a snare, and that officialism would be called in, under the system of his choice, to replace capitalism. He does not see that even if,—deciding for pure Communism, for Communism which socialises as well consumption as production,—he procured the disappearance of the causes of inequality which we have pointed out in the Collectivism of Marx and Schäffle, he would augment in a gigantic proportion the inequality which would be the outcome of officialism, because the latter would deal such a blow to production that it could not be maintained to any feeble extent except by an absolutely despotic authority and that such an authority is always accompanied with a great swarm of functionaries, with an army, and other unproductive expenses.

Besides, the affirmation of Malon and of John Stuart Mill does not seem worth a long refutation. If Socialism presented itself under the form of authoritative Communism suppressing all liberty, it would soon succeed in losing nearly the whole of its adherents, and its doctrine, having become simply academic, would no longer present any social interest.

Schäffle has admirably understood this, and it was this which caused him to write the passage we have quoted above.

It remains for us to ascertain whether the freedom of consumption, which he considers as the supreme good, is such a



boon that, with its suppression, all the advantages of Collectivism would disappear,—whether that freedom, we say, is compatible with the socialisation of production; it remains for us to examine whether,—freedom of production having vanished,—the freedom of material consumption, and even that form which we may be permitted to call freedom of intellectual and moral consumption, might not vanish at the same time.

Well, Schäffle takes upon himself to answer that question. Some lines before those which we have quoted above, he says in fact:—

“It is true that the State would be able to radically eliminate the wants that would appear to it harmful by no longer producing for their satisfaction; wherefore it is that the *vegetarians*,—Baltzer amongst others,—tend towards Socialism. But it is not a bad thing to remove from the social body adulterated or injurious products. In order to avoid the abuse of this process of purification (and those madmen, the *temperance partisans*) we should only have to appeal to the strong and generally developed sense of individual liberty.”

This passage, with its appearance of tranquillity, is altogether terrifying.

The State, as master of production, will be able to suppress all consumption which will not be agreeable to it. Some partisans, having become masters of power by revolution, if not by general consent, will be able to-morrow to force vegetarianism upon a nation by stopping the raising of cattle. Without even going so far as that, another Government will decide upon suppressing alcohol, another will go as far as to proscribe wine. These are not fantastic suppositions. Look at what takes place in our days in certain States in the American union, think of those Draconian laws against the sale of intoxicating liquors, and say if it would be very difficult to take a step farther, when the State, by the generalisation of production in its hands, would have gained omnipotence in regard to consumption! Social revolutions would not be ended. Men would fight in view of some article of consumption ought to be suppressed, or of another which it would

be sought to revive. But supposing that in the material world things would not go so far; that the public good sense would deal justice to the "temperance partisans," and that the authority would confine itself to preventing certain articles of consumption manifestly harmful; there would remain the intellectual and moral side. Here despotism would reign absolute, and would be such as has never been dreamt of under the most autocratic monarchies.

What, for example, would become of the freedom of the press, when the State would be the one and only printer, the one and only publisher?

Can one imagine the French Ministry of the present hour printing the *Intransigeant*, or the victorious Boulangist party publishing the *Radical*, the *République Française*, and the *Parti Ouvrier*?

To-day, even where the laws are severe, every one publishes upon his own responsibility what he thinks proper, and there always exists a sufficient number of adventurous spirits, so that an idea can never be completely stifled. Even when the censure steps in with its scissors, like a preventive weapon against liberty, clandestine printing presses are organised,—thanks to the individualisation of industry and commerce which makes it possible to procure the elements and instruments of industry. The decentralisation of material production takes it out of the power of the most absolute Governments to completely kill freedom, because they lack the means of always and everywhere preventing infractions of their regulations and their laws.

Those means of repression which have been wanting to the most terrible despots of whose history has preserved the memory, Collectivism furnishes them for us.

The State being the only printer, the only letter-founder, the only paper manufacturer, and the only manufacturer of printer's ink,—what censure will be equivalent to that? It was not worth while bringing about the revolution of July 1830, in the name of the liberty of the press; and we can scarcely understand the Collectivists who, recently, at the Chamber of Deputies, indulged

in mutual felicitations over having succeeded in rejecting the *loi Reinach*. What is the *loi Reinach* in comparison with what Collectivism promises to us?

It is not only in regard to the press, but in regard to the right of meeting, in regard to association, and, above all, to public instruction, that liberty will be threatened. As to public meetings, it will be sufficient to refuse the citizens, whose ideas are not *agréables*, the use of the halls of which the State will be the proprietor. In regard to association, it would soon be declared that these associations constitute little States within the great one, and that they are injurious to society at large.

In the matter of education the doctrines of the reigning State would only be allowed to be taught.

In our days State education has been created, and rightly so, it not being right that an institution so necessary and so little remunerative should be abandoned to the chance of private initiative. But if the State has a system of education of its own, an education which ought to be neutral in order not to wound any conviction, it leaves individual liberty in the matter of education intact. This freedom to teach is a safety-valve against State omnipotence. If the schools of the State departed from the attitude of neutrality imposed upon them, one would very soon see free schools spring up where the children of those whose beliefs would appear threatened would take refuge.

The Catholics have taught us for some years past the use that can be made of free schools, and it is not for us who are Free-thinkers to wish to give up the rights which the Catholics exercise at this moment, but which we should possibly have to exercise in our turn.

With Collectivism this freedom would disappear. How could one organise a free school when there would no longer be any private capital? Teaching is an industry like any other; and for every industry capital is needed. To establish a school it is necessary to have premises and books; it is necessary to be in a position to pay the teachers; it is necessary, as well as elsewhere, to sink funds, and this is even more necessary elsewhere.

if one wishes to compete with the gratuitous teaching of the State.

Unfettered teaching therefore becomes radically impossible in Collectivism. This, therefore,—State education and nothing but State education,—is what we are promised by the ideal Society of Karl Marx, of Lassalle, of Schaffle, of M. Guesde, and of M. Malon. The Catholics, like M. de Mun, will perhaps accommodate themselves to this idea, because they hope that the State will fall into Catholic hands, and because the Catholic doctrine has never professed but a feeble enthusiasm for liberty. The sectarian Free-thinkers also—who are nothing but turn-coat Catholics, and who do not hesitate any more than the religious fanatics, to stifle by force an unpleasant idea—smile approval on Collectivism because they flatter themselves that they will come into power.

Both the one and the other delude themselves, and those whose hopes will be deceived by the event will bitterly regret having ever yielded to such illusions.

We, for our part, who consider liberty as the first and the greatest of boons, will never associate ourselves with a system the triumph of which would have the effect of stifling all liberty, and leaving to mankind the prospect of continual revolutions and successive oppressions.

Schaffle irrevocably condemned Collectivism when he recognised the impossibility of renouncing liberty. It is, indeed, in vain that, by a subtle analysis, by a mere abstraction, the Marxists have separated production from consumption, and have pretended to preserve liberty in the one case, while causing liberty to disappear in the other.

The socialisation of production kills freedom of consumption, and, whatever may be its aim and its hopes, Collectivism would rapidly end either—if the meshes of the net were relaxed—in the reconstruction of capitalistic society, or in an absolute, authoritative, and narrow Communism. In the first case, it would, to say the least, be absurd to expend such considerable forces in order to n

out of number, we should necessarily have to return. In the second case, social slavery would be definitely established in the world.

Of these two solutions, the one is not more valuable than the other. Collectivism is decidedly not the polar star of humanity.



## CHAPTER VI.

### COLLECTIVISM WOULD BRING ABOUT THE STAGNATION, AND EVEN THE RETROGRESSION, OF THE HUMAN RACE.

IN suppressing luxury for some, and emulation for others—emulation which arises from the hope of profit; in causing the disappearance of speculation which, as Proudhon had so very well seen, is the genius of all invention and of all discovery; in replacing the movement—not anarchic, as is pretended, but automatic and natural—of society by red tape and statistics; Collectivism, if it would not go so far as to cause a retrogression of our race—and we shall shortly see that it would be fated to bring this about—would have, at least, the necessary and immediate effect of wiping out all progress, and of arresting the social movement at the precise moment at which the mechanism of society would have been transformed: like a clock which stops immediately as soon as the spring which serves as a propeller.

Perhaps it will be thought that such a suppression of all progress, and of all fresh manifestation, on a grand scale, of human genius, offers no reason to disquiet us. The present society enables its members to live. Its only defect, it will be said, is, that it distributes badly that which it produces; but that, notwithstanding, it produces in abundance. Let us fix this industrial state of things in assuring an equitable distribution, and it matters little if afterwards we cease to realise any progress. Men will live. The masses will be more happy than to-day; and it is better to live and be happy than to make progress.

The Collectivists, it is true, do not reason in this manner. Indeed, being on the one hand enthusiasts, and blinded by the object of equalising fortunes which they pursue, and which conceals any obstacle from them, they do not perceive the inevitable

consequences of their system. On the other hand, if there are some among them who are capable of avowing to themselves these consequences, and of accepting them, they would not be likely to publicly confess this. They understand too well how much an affirmation of eternal stagnation would seem repugnant to the eyes of all, and how it would alienate men from a system which would lead to such results.

But if, through blindness or through calculation, the Collectivists avoid finding themselves to the mode of reasoning which we have just sketched, that reasoning none the less forms the basis—consciously or unconsciously—of their theory. Indeed, if one does not accommodate oneself to that state of universal standstill, it is necessary to renounce Collectivism and to seek elsewhere than in the socialisation of the instruments of labour the foundation of the social improvements which we all aim after.

Now, let us admit this reasoning for an instant, and see if it is solid. Is it true that, giving up all emulation, all liberty, all future industrial progress, and all new discovery, society may, at least, live, henceforth and in perpetuity, in an uniform mediocrity, whilst the amount of production and the actual figure of population is fixed at the same time?

Unhappily, there is in this nothing else but one snare added to all the snares which Collectivism would reserve for us, if, for the misfortune of the human race it happened to be established.

And, first of all, no-one admits that Collectivism would be able to triumph at the same time on every point of the globe. We may rely that it would find, at some points, a stronger resistance than at others. After the lapse of a century, the political conquests of the French Revolution are not yet extended all over Europe, and we are justified in supposing that a transformation so considerable as that sought for by the Marxist school, would require, in order to become general, at least as long a time as the principles of 1789.

There would therefore be simultaneously, at a given moment, Collectivist nations and capitalistic nations.

The first nations, for as long as the generalisation of Collectivism

would be incomplete, would be obliged to struggle in the world-market with the natural arms of competition. The Collectivist nation would apply its system within its borders; but abroad it would certainly be forced to take up with metallic money again, to re-enter the circle of the circulation of products, and to invest these with the rôle and the character of commodities.

There is, indeed, no necessity, even for an instant, to concern oneself with the hypothesis according to which a people—the German people, or the French people—would make up their minds to wall themselves off from the outer world by prohibitive tariffs.

A Chinese wall is possible in a civilisation so primitive that the people who construct it have only very restricted wants, or in the case of a nation which disposes of a territory extensive enough to produce, at least, all that which is necessary for the satisfaction of its wants.

But the wants of mankind are to-day too considerable, and the territory occupied by the diverse European nations is too small for the people who inhabit it to be able to procure for themselves, without recourse to importation, all the objects which are necessary for them.

Let us take France by way of example. Once closed to the outer world, whence could she obtain,—I do not say the precious metals with which, owing to luxury and money being abolished, she would perhaps be able to dispense,—but the metals indispensable to industry, such as copper, lead, mercury and tin? Whence could she procure coffee, tea, pepper, Peruvian barks, and all the products of the soil of tropical countries which she employs either as foods or as medicines? Whence could she get the cotton which she does not produce; whence, too, the wool which she does not produce, except in a proportion inferior to her consumption? Whence, in the years of average or inferior harvests, the wheat and the cattle necessary to make up for the deficit in her production, and to secure an adequate food supply?

Evidently, she would have to do without these things, or to go and seek them where they are; and if she went in search of them it would be necessary to pay for them. As, moreover, gold and

silver are only means of circulation ; as one does not pay for products except with products—the products imported with those exported—the country which would first reach Collectivism would compulsorily have to continue to deal commercially with those countries which would have remained behind in the capitalistic system.

Such being the case, there is reason to ask oneself which nation would be the better armed for the competition on the world-market—that nation which would have adopted Collectivism, or that nation which would have persevered in the ancient system ; and which of the two, consequently, would oust the other, or would be ousted by it ?

To that question the answer is forced upon us, *viz.*, the people better armed in this contest would, by a long way, be the capitalistic people. With the latter people,—things continuing to work as they do at the present time,—salaries would be maintained relatively low ; the capital not distributed,—that is to say, the capital accumulated,—would constitute a considerable reserve, enabling the easy renewal of the instruments of labour, which would, consequently, be constantly kept on a level with the progress which emulation and the hope of gain amongst individuals would not fail to produce. The productive power of labour would experience a constant increase, and the price of commodities would consequently have a permanent tendency to go down.

Where Collectivism on the contrary, would be in activity, things would take place in an inverse manner. On the one hand, under Collectivism, no more inventions, or hardly any more, would be made, and the industrial means existing at the moment of the social revolution would henceforth remain without change. From that point of view, therefore, there would be no hope of seeing the productive power of labour increase, and of seeing the price of the objects of consumption or of exchange decrease. In the second place, by means of the excessive reduction of the labour day, or by means of the excessive rise of salaries ; owing also to the disappearance of surplus-labour, and to the fact of each man consuming more than he does to-day, and exerting himself so as not to produce more

than he consumes ; it is evident that, on this account as well, the price of commodities would have a forced tendency to rise.

We have seen that, in fact, in our days, the capitalist gives up to the consumer, by the lowering of the price of his commodity, a very great portion of his surplus-value. As to his personal consumption, which would, it is considered, be diminished under the new order of things, its diminution would not effect an economy comparable to the destruction of wealth which an increase of the general consumption would bring about.

In an army, the salary of the officers strikes *a priori* the imagination, when one compares it with the modest pay of the soldier. But when one examines a war-office budget, one quickly perceives that the pay of the soldiers,—seeing the great number of them,—costs incomparably more to the State than the salary of the officers. It can be seen that if the pay of all officers were suppressed, the least augmentation of the sum daily received by the soldier would exceed by a great deal the saving realised by that suppression.

It is the same in the social order, and this, too, in an infinitely greater proportion, because of the more considerable masses of men to whom the phenomenon applies. Here the capitalists represent the officers ; the workers represent the soldiers. Even in admitting that it might be possible to retrench from the total consumption the amount which the capitalists consume to-day above the average, it would be enough to raise that average at the same time, in order to make the deficit enormous. What would be the state of things if the sumptuary consumption of the capitalist were not even diminished? And we think we have established that that consumption would not be diminished, that the director-like functionaries would certainly exact as much from the social labour, and perhaps more, than do now the actual holders of capital. It follows from all these conditions, so disadvantageous from the point of view of the struggle for life, that the Collectivist people would produce at prices infinitely higher than the economist and bourgeois people.

Therefore, when the Collectivist people would come forward



into the world-market they would see themselves repelled at every point. And, nevertheless, they would be forced to go and buy the materials which they could not dispense with from those nations who would obstinately refuse to buy from them anything in return. How would they pay? With their metallic reserves at first; then, when these reserves would be exhausted—and that would quickly take place—with products which they would be obliged to part with below the cost price—that is to say, at a loss. This transaction would be ruinous, and it would be necessary very quickly to resume the supply of surplus-labour, no longer in order to accumulate national capital, but in order to enrich the foreign exchange agents. These latter individuals would, in such a state of things, reap so great an advantage that, very likely, Collectivism would not become general, the nations which already had not entered it taking good care not to embrace it after such an experience. As to those nations which would have adopted this new social system they would be condemned to cut adrift from it as quickly as possible, or else to disappear.

Let us now make an inadmissible supposition in order to leave nothing unanswered in the Collectivist arguments. Let us admit that the social revolution would be so sudden, so general, that Collectivism would be established everywhere at the same time. There certainly would no longer be the dread of the competition of the remaining capitalistic nations, but, from the international point of view, there would be other embarrassments. There would still be the need of foreign products, and as, in all countries, the State would be the only producer, one would have to go to it in order to buy. Competition would be destroyed or nearly so; for, instead of taking place between individuals, it could only take place between nations, and the purchasing people,—finding itself in presence of a single vendor in the shape of a nation, or of a very small number of nations acting as vendors, who would be able to form themselves into a syndicate—nothing would be more easy than for the latter to strangle the purchaser every time a question arose concerning an article the production of which is limited to rare countries. For instance, it is

that it would be sufficient for the United States and Russia to form a mutual understanding together in order to obtain, in exchange for their petroleum, just what it would please them to ask.

It is true that the people standing in the position of consumer would have the resource of returning to the use of colza oil, and that this fact would re-establish a certain equilibrium. But beyond the trouble which the employment of this means would involve, it would only be applicable when the question would be one concerning products the consumption of which is not indispensable. If, on the contrary, in consequence of cattle disease, or of a bad harvest, a people suffered from a scarcity in cattle, or in cereals, they would be obliged to submit to the conditions forced upon them by the possessors of horned beasts or of wheat. To-day the multiplicity of vendors and purchasers, and the keenness of competition, give an elasticity to commerce which makes such accidents impossible. They would become the rule when the smallest purchase would have to be made by one Government from another, and more than one war would break out from these economic negotiations, as it breaks out to-day from political negotiations, which are by far less impassioned than those on which would depend the immediate feeding of a whole population.

These inconveniences would only disappear if mankind in its entirety formed one single agglomeration, or, at least, if several nations, after having accomplished their revolution, mixed together in such manner as to possess a territory so vast that men would dwell there, under all latitudes, and all climates, and on all categories of lands, owning mines of all metals and of all combustibles, and would be able to procure amongst themselves, without recourse to outsiders, everything they would need, and if they would have the resource to shut themselves up and constitute a little group of humanity determined to suffice to themselves.

The first of these hypotheses,—that of mankind united in one agglomeration,—is impracticable. The second is less so

although it may not be everywhere of easy application. But it could be realised on certain points of the globe, notably in the United States.

Very well, let us suppose the idea realised. Let us suppose that Collectivism is established in this country so exceptionally disposed to receive it, and that it has not any longer to struggle with the element, fatal to it, of international exchange; it will none the less lead, by the simple play of natural forces within, to a fatal retrogression, or a rapid decay.

The actual surplus-value would, in large measure, lose its character of capital; it would be nearly entirely distributed either under the form of salaries, or under the form of general expenses. The undertaking of new exploitations would be given up, and, henceforward, having no longer need of instruments or means of subsistence intended for a fresh utilisation of dormant wealth, pretty nearly all that one would produce would be consumed.

But immediately—social well-being augmenting—the population would increase, for the population question forces itself upon us, and it is not sufficient to deny it in order that its effects should disappear. Now, as no capital would have been accumulated in order to utilise the arms of the new-comers on fresh fields of exploitation, it would be impossible to procure labour for them all except by lowering again the limits of the labour day; and this would fall very soon below what would be strictly necessary. It is true that at this moment the law of population would begin to act in an inverse sense; the number of the inhabitants would suffer a backward movement, which would allow the duration of the labour day to rise to the number of hours necessary. But this duration would, naturally, be proportionate to the minimum salary imposed by the iron law which,—all individual prevision having disappeared,—would recover its primitive force. And whilst, in our individualist society, the quantum of the minimum consumption follows a progressive scale and always tends to augment, it would follow a retrogressive scale in Collectivist society, and manifest a constant tendency to diminish.

To-day, on the avowal even of the Socialists, the accumulation of capital, the augmentation of the productiveness of labour, and the creation of machinery, which constantly lower the price of commodities, have this result, that, if the salary diminishes sometimes in a relative way—when one compares it to the totality of the surplus-value—viewed in the absolute it always goes up.

To-morrow—supposing that Collectivism should be realised to-morrow—the abrupt interruption of accumulated wealth, of inventions, and of the perfecting of machinery, would make that rise in the absolute salary impossible, although a rise might be produced in the relative salary; and we must not forget that the absolute salary alone can enable a man to satisfy his want. The augmentation of the relative salary consists only in this fact, that a man no longer shares with anyone, or shares in a lesser degree, the product of the industry in which he labours. This augmentation does not increase the happiness of any one, and it even diminishes it, if the portion which returns to each, when everything falls to the lot of labour, is less than what the worker received when the share that fell directly to labour was only the half, the third, or the fourth of the production.

As the *statu quo* does not exist anywhere in nature, as it is an universal law that all that does not make progress recedes, that all that does not advance goes back, it is certain that the absolute salary, being no longer able to augment, would diminish.

It is, moreover, easy to form an idea of the process of this diminution. When the population would rise, the duration of labour would be lowered, that is to say, to speak our present language, the wage would be lowered. Then, when the pressure of misery would become felt, population, in its turn, would diminish. Nevertheless, as this retrogressive movement would last during the time it takes for a generation to grow up, it would certainly be necessary, during that period, for every body to form habits of consuming less than formerly. On these habits, then, the population would be regulated in order to become limited. But when the population would have reached the limit adequate to its new habits, the

same effects would be reproduced, bearing with them the same consequences.

It is necessary, indeed, never to lose sight of the fact that the iron law does not bring down salaries to the amount which is strictly necessary to mere material existence, but to the amount which is necessary to preserve life, taking the habits of the time as the basis.

It follows that salaries regulated by the said law are susceptible of compression and extension,—a fact without which, as we have already established, all progress and all retrogression would be impossible, and mankind would only be able to move itself in an always similar situation with a frightful monotony.

The iron law and the law of population only constitute one law. They are the two sides of one and the same phenomenon. If population were not limited, life would be impossible. Such limitation takes place, despite the contrary organic tendency of the human race. The process whereby that limitation is effected is a double one. It acts on the one hand through misery,—the lack of the means of subsistence which mows down the generations. This process is the only one which acts on the wild races of animals. On the other hand, it acts through willed personal forethought,—a form which is peculiar to humanity.

The first form, which I shall call the animal form, leads to the absolute law of wages, such as Lasalle had conceived it. The second form, the human form, leads, on the contrary, to the permanent increase of well-being. In the first case, the population outstrips subsistence, and misery forces itself upon mankind; in the second, it is subsistence which outstrips population, and the condition of man is improved.

This law is not an economic law; it is an organic law which acts with the fatality of natural laws; and we have only to put to ourselves one single question: What is the form of society which develops individual forethought? What is the form that annihilates it? The first will necessarily be the higher form of society, and the second form will have to be carefully avoided.



Now there is a point on which everybody is agreed, on which not one Socialist will raise the least criticism, viz., that personal responsibility breeds personal forethought, and that irresponsibility breeds want of forethought.

Well, then, can it be contested that the liberal and individualistic society of to-day does develop the responsibility of each individual? Can it be contested that Collectivism suppresses it?

To-day, before lightly augmenting one's family, one recognises that it will be necessary to nourish its members so long as the children shall be in their early years; that later on it will be necessary to find them work and a position. The difficulty increases with the number of children to be raised. A balance is established between the natural pleasure which one feels in increasing one's family, and the inconveniences which the new burdens would impose upon one. Hence, a voluntary limitation which is in proportion with adopted habits and the minimum consumption, below which one will not consent to descend.

To-morrow, why should one inflict on oneself the worry of family limitation, when it would be upon society that the family burdens would devolve, and when one would be always sure of having work for the new-comers? In order to take such a step, one would have to be guided by the consideration of social duty, but the action of each man on the whole of society is too feeble, too small, too inappreciable for that consideration to have any weight whatever on individuals.

It hence follows that the law of wages, which the Collectivist Socialists have made the corner stone of their system, is exactly the supreme law which irrevocably condemns their theory.

Therefore, the individualist development has the effect of increasing every day the minimum individual consumption, in allowing each one to satisfy an increasing number of wants.

The development of Collectivist society would have the effect of lowering this minimum of consumption, and of reducing the individual to the satisfaction from day to day of a lesser number of wants.

The actual individualistic society of to-day creates wealth.

The Collectivist society would breed misery.

The individualistic society does not always well distribute, but it produces much.

The Collectivist society would certainly distribute no better, but urged by the chimera of a better distribution, it would deal a fatal blow to production and would wind up in no longer having anything to distribute.

The Collectivist theory is, therefore, a mere utopia. It cannot be realised because it comes in conflict with one of the sentiments most deeply rooted in the human heart—that of individual initiative; and if, by the hypothesis, it could be realised in fact, it would be the most frightful misfortune that could fall upon humanity.

In order that Collectivism might become possible and be stripped of danger, it would be necessary, as Fourier had supposed, that labour—even labour of the most repulsive kind—should be as attractive as play, and that there should be produced, in accordance with the natural tastes of each individual, a spontaneous division of labour, society—in virtue of some higher law—containing the proportion of each aptitude which is exactly necessary. But this, unhappily, is an artificial conception which the learned Socialists of our time repel no less than we do as not resting on anything real.

Collectivism, consequently, does not adapt itself to human nature. Will it so adapt itself one day, if considerable organic modifications are brought about in man, and if the human species transforms itself into a different species? No one can answer for this.

It is probable that the Darwinian hypothesis is true—that the species which people the globe are derived from ancient extinct species; and it is perfectly in conformity with that hypothesis that the actual species should be converted, in their turn, into new species destined to replace them. But this is the secret of the future, and of a future excessively remote,—so remote in any case, that it is not of any interest for us to peer into it. All that we are permitted to affirm—and that is sufficient for us—is that, as

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long as man shall remain man, as long as a new species shall not have supplanted the species to which we belong, the Collectivist idea will be one of those conceptions of which it will be of the greatest importance to beware, and against which we ought to defend ourselves.

## BOOK IV.

### *Practical Reforms.*

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#### CHAPTER I.

##### THE TWOFOLD CHARACTER OF HUMANITY.

FROM the fact, which we have endeavoured to establish up to this point, that Collectivism—in so far as it is of an absolute character—is repugnant to human nature, ought we to wind up with Anarchism and claim the suppression of all public functions? Not at all!

Every living species in Nature has its qualities and its proper instincts, and is only able to develop itself by obeying them.

There exists some beings absolutely individualistic. Such are the wild beasts. The males do not come near the females except in order to breed, then they go back to their solitude, taking no part in the education of the young; the females, on their part, know no more about the family than what is simply necessary in order that the young ones may reach the age which will allow them to separate themselves from their mothers, and to live in an isolated manner on their own account in unfrequented places. Under such conditions there is no sort of society, not even the most elementary.

Other animals, on the contrary, have instincts completely communistic. That West African bird which the French call "The Republican," and, much better still, the bee and the ant, furnish us with examples. Amongst these last species the sentiment of

personality has disappeared to such a degree that Nature seems to take nothing into account except the community. Amongst bees, all individuals that are not intended to assist in the work of reproduction are made neuter by the hygienic rules to which they are submitted; the males are put to death as useless mouths as soon as their function is completed, and each soldier engaged in a struggle is a soldier dead. The bee does not sting to defend itself. In stinging it commits suicide. It stings to defend the collective existence.

Man is neither entirely an Individualist like a wild beast, nor completely a Communist like the ant or the bee. This fact condemns to a fatal failure every absolute system, Collectivist or Individualistic: Communism and Anarchy. Man possesses at the same time powerful social instincts, and unsubdued individualistic instincts. Let no one ask him to live in solitude! Not only would one fall foul of a profound repugnance on his part, but also of a physical impossibility. Man—who in a state of society, becomes the master of creation,—when once isolated, is no more than the worst armed amongst animals. He has neither the muscular power nor the claws and the teeth of wild animals, nor the minuteness which enables the insect to dissimulate, nor the rapidity of the fallow deer and of the gazelle, nor the excessively prolific faculties which, if they are not a guarantee of life for the individual, at least secure the conservation of the species. Let nobody, therefore, talk to him about isolation! But neither let any one speak to him about giving up his personal freedom, his personal initiative, the adventures and the risks of his liberty! His horror for the complete subjection of the individual to the social organism is equal to his horror for the condition of solitude.

It is necessary, then, that man may find, in the conditions in which he lives, the satisfaction of these two classes of instincts, and that he may be able to satisfy his individualist wants and his social ones. Every system which neglects either of these tendencies stands condemned.

There is another remark we ought to make. These two aspects



of human nature are naturally developed on a par with each other. Evolution even manifests itself in both senses at once.

When one studies ancient society, one perceives that individual freedom was much less respected then than in our day, that the child was much more subjected to the family, and that the citizen was much more sacrificed to society. State reasons had then a power, and exercised a dominion, which they have since happily lost. The exile of Aristides appeared the most natural thing in the world.

To-day we still exile Aristides, when he inconveniences us, but we do not avow that we exile him because he causes inconvenience; we take good care to invent an imaginary crime to justify the banishment. Reasons of State still act; but they have lost so much of their action on the mind that we are forced to disown them whilst obeying them . . . whilst awaiting the time when nobody will be able even to obey them. We are condemned to an attitude of hypocrisy, and it has been rightly said that hypocrisy is a homage paid by vice to virtue. But at the same time that modern society distinguishes itself from ancient society by the greater extension which is given to individual scope and private initiative, it is also distinguished from it by numerous conquests made by the State over the individual, that is to say, by conquests in an inverse sense. It is thus that a considerable number of public functions have been instituted, the possible creation of which the ancients had even no suspicion of, and that new ones are being instituted every day.

The individualistic and collective attributes of man are to this degree irreducible, that in despite of what—apparently at least—may be contradictory in the fact we are about to state, all progress manifests itself at the same time by conquests made by the individual over society, and also by inverse conquests made by society over the individual. A more perfect division takes place every day between what ought normally to belong to the individual, and what should appertain to the Commune or to the State. All our struggles are concerned with this distribution of

prerogatives. In this distribution all our progress and all our reaction are summed up.

It is this twofold character of humanity which furnishes the reason why there are points extremely striking in all Collectivist criticisms as also in every defence preferred by liberal economists, and why an impartial and enlightened mind is able to feel an equal enthusiasm for the admirable works of Marx, for the eloquent pages of Proudhon and Lassalle, and for the works of Adam Smith and of Jean-Baptiste Say.

The line is, therefore, clearly drawn for the philosopher and for the statesman. Both seek for that which ought reasonably to be left to private initiative, and for that which the Collectivity may claim through its different elements, the Commune or State.

But this labour would be unrealisable if it were proposed to begin with mapping out details, and to finish immediately with a complete system, a perfect whole. This task is the work of each day, and is being pursued by the natural evolution of human society without the delimitations marked by the thinkers playing the part that one would imagine in this distribution of functions. The desire to rid oneself of leading strings that have become useless, and that of providing for the satisfaction of new needs which are manifesting themselves, form almost the only motive powers of that immense organism, the workings of which never stop.

Science, however, is able, and ought, from this day forward, to strive in order to find out a guiding principle which would admit of these two aspects of man—apparently so opposed—being reconciled.

We think that this guiding principle may be formulated thus :

*The Collective action may and should be exercised on all occasions when the transference of a function from the individual to society has the effect, not of diminishing individual liberty, but of protecting, guaranteeing, and developing that same liberty.*

In a word, the object sought for would be the plenitude of individual liberty; and society—even in its most narrow regulations, even when it would appear to injure that liberty—would not

intervene, in reality, except in order to develop liberty, at least, in order to defend it against a more dangerous assault. Such, we believe, are the principles in the light of which it is necessary to examine the different economic categories, if one desires to remain in conformity with the facts of science, of experience, and of reason.

## CHAPTER II.

### DIVERSE ANTINOMIES—THEIR SOLUTION.

In modern society, free competition is the basis of all commerce and of all industry. From thence proceed, in each section of human activity, the rules of production. Competition is beneficial in the highest degree because it tends to improve the product and to lower the net cost.

But there are several antinomies in competition, even as there exist some in many other orders of phenomena.

It happens, for example, that, by reason of its exaggeration, competition ceases to improve the product, injures it on the contrary by fraud, and makes it impossible for the individual to procure for himself the unadulterated objects which he desires for his consumption. This is a first antinomy. It also happens that, in the great enterprises requiring the employment of very considerable capital—such as railways, maritime navigation companies, trans-continental cable companies, or, likewise, in enterprises which are concerned with the exploitation of an object the amount of which is limited and cannot be created by the hand of man—as is the case with mines—that competition ends in monopoly, that is to say, in its contrary.

A railway company is formed. It lays down a net work of rails, the construction of which involves an expense of two, three, four, or five hundred million francs. If no competing exploitation comes along and establishes itself by its side, it is very evident that this first company remains absolute master of the carriage of passengers and goods, and can take advantage of that situation so as to falsify the economic conditions, and to force tariffs on the public out of proportion with the real value of its services.

Will competition step in by means of the organisation of a new company and the construction of a second parallel line? Possibly

so. — This is even probable, if the field of exploitation—and consequently, for that reason, the field of profits—is extensive. — But for this purpose there is need of a new expenditure of a capital of two, three, four, or five hundred million francs.

As soon as the new line is open, the tariffs go down and the public breathes freely, each company tending to turn aside the traffic for its own profit; and thus it happens that the cost of carriage is brought back, by the law of supply and demand, to the normal value of the service rendered.

Unhappily, the two companies soon perceive that they have been inflicting injury on one another, that their struggle has the effect of lowering the cost of carriage in a way prejudicial to their interests; they become merged together, or form a coalition, and the public falls again into the inconveniences of monopoly.

In order that these inconveniences should be avoided, it would be necessary that a third line should be constructed. But the capitalists who would undertake that task would have to devote thereto still another half milliard of francs, which would raise to a milliard and a half the expenses incurred in order to establish the means of communication between the points in question.

Now, it may be that the traffic sufficient to remunerate half a milliard or a milliard may be insufficient to remunerate a milliard and a half. — As the capitalist does not bring forward his capital except where he meets with some chances of profit; and as he undertakes nothing for glory alone, or in view of some general interest (although the general-interest profits by his action); and, further, as he is not guided, and cannot be, except by private interest; if the traffic is not considerable enough to remunerate a milliard and a half, the third line will not be constructed, and the monopoly of the merged or coalesced companies will subsist in its integrity.

Moreover, were it possible to usefully create a third line, the monopoly would only be delayed, for the facts which we have described as certain to be produced between the two first companies, would be infallibly brought about, by the same economic fatality, between the merged companies and the new competing society.



Here, then, is a case in which absolute economic freedom leads to monopoly; and one may easily recognise, by applying the same reasoning to analogous premises, that this case is not an isolated one. In mines, for example, a monopoly is even much more easily established, at least in many circumstances. In fact, the field in which exploitation exerts itself is here limited not by human will, but by nature. A mine is discovered, it is not created; and when a capitalist or a company has taken possession of all the mineral values of a given kind, one can defy any other capitalist to compete with them.

Now, this union of the mines of a self-same nature in the hands of the same capitalist, or in the hands of a number of capitalists sufficiently restricted to enable them to form an understanding together and to unite in making coalitions, is the logical consequence of the normal accumulation of capital.

If it is false that, if we only consider private individuals, capital tends more and more to become concentrated in a few hands, to the detriment of the greatest number of individuals—a view which constitutes one of the fundamental errors of Karl Marx and of his school—it is, on the other hand, absolutely true—and on this point the analysis of Marx is exact—that the small undertakings have a constant tendency to become effaced, and to disappear before the great undertakings.

The union of the mining companies, or their mutual understanding, forces itself upon us, and it will not be by crying out against monopoly, by applying from time to time the 419th Article of the French Code Pénal, by striking here and there at some financiers or some manufacturers sacrificed as a holocaust to the popular passions, that one will prevent this result from being produced, for it flows from the unconquerable laws which regulate capitalistic society.

This monopoly, brought about by the very effect of a natural law which seems entirely directed against it, is the second contradiction, the second antinomy offered by the study of competition. We shall discover yet more of these antinomies.

The orthodox political economy shows us the worker and the

capitalist meeting together on the market as two agents freely exchanging, and arriving, by the balance of supply and demand, at the establishment not only of the just and normal amount of the wage, but, also, of the general conditions of labour.

Now, if it is true that labour is able to struggle against capital; if it is true that the centralisation of the workers—the consequence of the centralisation of industry—makes day by day that struggle more easy and more efficacious; there remains none the less and always will remain, a force in the hands of capital against which all the efforts of the workers will break themselves in vain, because that force flows from the very nature of things.

On this point, Karl Marx appears to us to have established his demonstration on a rock. We shall not reproduce the whole of the arguments which he gives. But there is one argument quite theoretical and quite *à priori*, which Marx does not formulate and which, however, seems to us difficult to refute.

As long as industry is divided—and it is to be hoped that it will be so for a long time—a capitalist who is outside the branches in which monopoly forces itself upon us, cannot consent to a reform, cannot diminish the hours of labour of his workmen, cannot improve the sanitary conditions of his workshop, and cannot raise salaries, except by raising by that very fact, and immediately, the cost price of his commodity.

Now, as we have before established, the manufacturer only retains for himself the most inconsiderable part of the surplus-value produced, the principal part whereof is distributed to the consumers under the form of a reduction in the price of the objects of consumption.

Of the part so retained by the manufacturer, the most important fraction is intended to be added to the necessary accumulation without which capital infallibly perishes.

As the necessities of the market oblige the capitalist to content himself with the least possible profit, if he raises the cost price of his commodity, he is compelled to demand a higher price than that which his rivals demand for the same article. From that moment the consumers,—who only see the prices, and do not

scrutinise into their causes,—naturally turn away from him in order to go to the man who offers them the same things cheaper. The reforming manufacturer thus finds himself ruined by the man who has refused to effect any reform.

If he is ruined, his workmen fall out of work. They come upon the general labour market, causing wages to go down; and, consequently, they have such an interest in the avoidance of these misfortunes that they are no more able, logically, to insist upon the reforms than the manufacturer is in a position to accomplish them.

In order that improvements of this nature should become realised by the simple working of natural forces, there would be needed either the unanimity of the masters in a given industry carried on in a particular country, or, at least, an unanimity on the part of all the workmen employed in that industry, in claiming these improvements at the same time and with an equal vigour.

If even this universal understanding—and for that reason so improbable—were brought about, there would remain international competition, which so stands in the way as to make the best wishes abortive.

*Absolute freedom of commerce and of industry is, therefore, incapable of giving rise to the social reforms which the worker has the right to exact.*

Another antinomy still:—

Private industry does not manifest its useful effects except in cases wherein the immediate profit is the motive which determines the industry and serves as its propelling force.

But there are certain services in which the material interest of the moment is nothing for society, while the interest of the future is everything for society, and in which, from the point of view of profits, there exists a conflict between these two interests. For these services private industry is totally unadapted.

Education—secondary education,<sup>1</sup> and higher education above

<sup>1</sup> M. Naquet's remarks on education are made with reference to educational affairs in France.

all—belongs to that order. The master who opens a school does not in any way concern himself with the raising of the intellectual and moral level of the nation. He has but one end, viz., to attract to himself the greatest possible number of scholars, and to pocket as much money as he can. If the means to attain this end consists in the excellence of the teaching imparted by him, one may be free from any concern about the schoolmaster's private interest: the education will be free from all reproach. But if, on the contrary, it is by a lax and inferior teaching that he succeeds in making the twenty franc pieces flow into his coffers, we shall see the level of his teaching become lower from day to day.

This second hypothesis is, unhappily, that which is the more generally realised in France. The abandonment of education to private initiative brings with it the mutual competition of schools, "lycées," and colleges.

Unhappily, the young people who, in the teaching to which they submit themselves, seek a solid education,—the development of their knowledge, and the perfecting of their minds—form the great, the very great exception. The immense majority of mankind work in order to create for themselves a position. They only see in the studies which they are forced to undergo the diploma or the final certificate, and only seek to acquire this diploma or this certificate at the cost of the least effort.

One may, for that reason, rest assured that the establishment in which the masters are of a superior order, and wherein the diplomas are only conferred after conscientious examination, will receive the limited number of students who seek education for its own sake; but that the great number will, on the contrary, run after the rival establishments. These latter will prosper, whilst the former, simply because it has no absolute monopoly, and simply because a competition is raised against it, will not pay its expenses, and will be condemned to perish.

Things take place so much in this manner in France that, even to-day, the multiplicity of the State faculties produces, in a certain measure, effects of this order, and the higher Council of

Public Education is obliged to take under its consideration the tender of the students of one faculty to go to another faculty to pass their examinations, when they have some reasons to suppose that the examiners there are more indulgent.

Thus, in the matter of education, competition tends exclusively to lower the value of the product; and as, in this instance, the excellence of the product is fundamental for the welfare of society, it is evident that we have here a service which cannot be usefully abandoned to the initiative of individuals.

It would be easy, but of no utility, to multiply this enumeration, which everyone can complete for himself—the examples we have furnished being amply sufficient in order that the idea, which we wish thence to deduce, may be distinctly made clear.

To sum up: competition, in certain industries, leads *de facto* to monopoly. Nearly everywhere it renders reforms impossible, when the consequence of these reforms is, not the lowering, but the raising of the cost price. It sterilises, in these cases, the individual goodwill of the capitalists, and even makes fruitless; from the point of view of reform, the struggle between labour and capital.

Finally, competition often brings about frauds and falsifications or, at least, the debasement of the quality of the product. This result is realised nearly always in the industries in which the excellence of the product is everything, and the immediate profit to be pocketed is nothing, since the interest of the present has to yield to the interest of the future. These industries are doomed to a fatal inferiority if they are handed over to individual action, and the services which devolve upon these industries continue to suffer.

Here, then, we have certain well established, and very clearly defined antinomies.

The rule of the antinomy is, that every time a given order of phenomena develops its consequences in two opposed and contradictory series, there is reason to anticipate a higher principle, a synthesis, which will cause the contradiction to disappear, and will solve the antinomy.



This higher principle, in the examples quoted by us, is the action of the State exercising itself, either by laws and regulations imposed upon all similar industries, or even by the substitution of the public service for the free competition of individuals. In this is seen the importance of the collective side of humanity. If private industrial enterprise involves the manufacture of commodities of bad quality, and thus aims a blow at the liberty, the interest, and the health of the purchaser, there is occasion for superintendence by the State with the view of repressing fraud.

If the interests of the worker, the preservation of the health of the labourer, and his well-being—which are the primordial elements of social power—are injured by a competition which is powerless to protect them, it is necessary that the State should intervene to equalise matters between the manufacturers, by promulgating laws on the hours of labour, on unhealthy workshops, on the labour of children and women, and on the weekly day of rest.

If private individual action ends in monopoly, and thus tends to suppress the liberty of the consumer to the profit of the monopoliser, justice requires that this monopoly, organised as a part of the public service, should be carried on by the State, or that the State should limit, by severe regulations and a continual superintendence, the rights of the individuals and of the companies into whose hands the monopoly has fallen.

Finally, if the excellence of the product surpasses in importance the possible profit,—as is the case with education,—the public service forces it upon us as the only solution. Thus, public service is necessary for the railways or for the mines, or, at the least, a limitation, by precise laws and by continuous administrative action, of the rights of companies. Public service is necessary for education. Finally, laws protective of the workman; laws limiting the duration of the labour-day for women, children, or even for adults; securing a day of rest each week; aiming at the suppression of forms of labour destructive of the health of those who are therein employed;—such is the field on which the action of the State ought legitimately to be exerted, not in order to put constraints upon the individual, but, on the contrary, in order to

favour liberty by destroying the obstacles accumulated by liberty against liberty.

There is yet another service which justifies the action of the State, whether that service is exerted by superintendence, or is exerted by direct exploitation held as a monopoly. This is the service, which in our days has become altogether indispensable, of banks of issue.

In banks of issue, monopoly does not arise,—as in the case of railways or mines,—from the very force of circumstances. But if these great establishments, which are the regulators of monetary circulation, were abandoned without direction to private initiative, no doubt there would be some excellent ones; but some, very little secure, would also exist. The depreciation of bank notes would ensue under such circumstances. If it is true, indeed, that men of business would, most often, succeed in distinguishing the banks that are safe from those which would not be so,—that they would accept the paper issued by the first whilst refusing that of the second,—this would not be the case with the mass of the citizens.

Here, everybody would be in the dark. One would have but one light to make things clear by: the current rate of exchange; but what a number of causes may influence this rate outside the stability of the establishment from which the notes emanate! The bribed press would not fail to lead the public into error; one would falsify by adroit manoeuvring the normal price of exchange, and, at some inevitable and repeated losses, the public at large would refuse to receive the paper money and would no longer accept anything but payment in specie. Circulation would thereby be impeded and production injured.

It is needful, therefore, and of the highest necessity, that the State should intervene; either, as to-day, in France, by conferring the monopoly of the issue of note on a single bank compelled to give security by a guarantee capital; or, as in the United States, by leaving the banks free to establish themselves, but fixing the conditions outside which no emission of notes is permitted; or, finally, by establishing a State bank and making the bank of emission a part of the public service.

One may hesitate between these diverse solutions; but, whatever be the solution adopted, State action—collective action—forces itself upon us. Moreover, in our opinion, two solutions only are acceptable amongst the three offered: that adopted in the United States and which, in guaranteeing the public against the excesses of competition, preserves for the public, however, all its advantages; or, on the other hand, the system of the State bank. Monopoly in the hands of a company is nearly always bad, because it levies a tax on all citizens to the profit only of some few. Where a monopoly exists, common sense shows that it ought to be exercised by the monopolising company at cost price, except in the cases in which the fact would be established—as may perfectly well happen—that gratuitous exploitation as a part of the public service is still more costly than onerous exploitation by private individuals.

But there is a remark, the importance of which must be pointed out at once: *viz.*, that in so far as it acts for the public service, the State is subject to the general laws of the market. Its action, from the point of view of the distribution of wealth, does not involve the consequences which the Socialists of the school of Marx anticipate from the socialisation of the instruments of labour. It is this which makes it possible for us to accept this form of collective action, and is the reason why M. Deville, in the introduction of his analysis of the doctrine of Karl Marx, rejects it.

Indeed, as we have superabundantly shown, society could not be burdened with the production and distribution of wealth—it can assume but one burden, that of remedying the defects of equilibrium which arise from an entirely-anarchical competition,—which defects would upset the social mechanism.

As to what has been commonly called “the social question,” it may be summed up thus: It is necessary to reach a point at which the functions of capitalist and worker, which to-day are separated, may be united in the same persons. It is to be desired that, directly or indirectly, the instrument of labour may be the property of the man who puts it to advantage. It is necessary that the social action may be exercised unceasingly with the view of attaining the formation of this state of things, the realisation of

which should be of a nature not only to satisfy the feeling of justice but also to greatly benefit the general interest. But it is of importance to steer towards this social end, it is very necessary to guard oneself against the utopia which consists in believing that it is possible to attain that end in an absolute manner,—an utopia which, inspired with that hope, leads up to Collectivist chimera.

The absolute and complete juxtaposition of the functions of capitalist and worker is one of those final ends,—an example of which is offered by the asymptotes in mathematics, and are still more numerous in society,—ends towards which one journeys unceasingly, but the very condition in order to approach them is that one is doomed never to attain them.

## CHAPTER III.

### SOLUTION.

Up to the present we have overthrown the theory of Collectivism pure and simple; shown in what circumstances the collective action has the right and the duty of exercising itself, and indicated the end towards which it is necessary to steer. But by what method ought we to take steps towards attaining this end? This is the problem which it now remains for us to examine.

The French Revolution has furnished us, in regard to this, a good example to meditate upon.

The Revolution of 1789 was much more a social than a political revolution.

Our great Assemblies of 1789, of 1792, and of 1793, found themselves in the presence of an old feudal society, already profoundly impaired, but of which it was needful to complete the destruction, and to the replacement of which it was necessary to proceed. In that society the land was possessed by the proprietor of the soil. The seigniorial property was charged with entail, and its division, therefore, became impossible. The laws were such that the feudal lord could not lose, and, as a consequence, the peasant could only with difficulty acquire anything.

As regards manufacturing, it hardly existed. Industry had only commenced to emerge out of the handicraft stage to enter into that which Karl Marx calls the manufacturing period; and manufacturing, already in full development in Great Britain—which has preceded us in the field of industry—had only just begun with us. The handicrafts reigned still with their guilds and corporations, securing an existence for a certain number of privileged people, and mercilessly throwing the others into the ranks of mendicancy.



The Revolution might have proceeded by way of violent expropriation, and torn the land away from its possessors and given it to the peasants. It employed quite another means. It seized hold, no doubt, of the possessions of the Church; but these possessions could not be assimilated to the property of an individual. They were a means of assuring a public service by a special endowment. This endowment might have disappeared if the service were henceforth judged useless, or even—as it happened—if the service were assured in another manner,—by the State-budget for example,—or else by the right of association being granted to the municipal, and by permitting them to set apart funds of their own.

As regards the nobles, the Revolution only took away from them their possessions when they conspired against the Republic,—when they emigrated and went to Coblenz to bear arms against the fatherland. In their case the punishment of confiscation, which was part of the legislation of the period, was pronounced against them; but this was simply a penalty, and not a measure of social renovation. The aristocratic families who remained in France,—such as the Montmorency family,—and who did not raise insurrection against the new order of things, were not disturbed in their rights as proprietors, and preserved all their property.

Moreover, the violent dispossessions which took place on account of war hardly brought about any social effect. Often, even, they came in contact with the object for which they had been made. This was temporarily the case with the ecclesiastical possessions, the sale of which produced simply the substitution of a new proprietor, much more rapacious, for the former good-natured owner, who contented himself with an insignificant rent. The sold and confiscated lands fell to the lot of bourgeois proprietors, who bought them very cheaply, and who carved out estates for themselves from the ruin of the former possessors. The people in the country gained nothing, or hardly anything, in all these changes; and if the Revolution had been confined to these acts of dispossession, and had not modified legislation, it would have completely failed: its work would have been nil.

But at the same time that the Revolution proceeded with confiscations and sales which were the outcome of war, and the sole purpose of which, as we have already said (and which it is necessary never to lose sight of), was the more speedily to break up the partisans of the old *régime*, it took care to make laws which prevented that *régime* from being reconstituted, and made its total destruction at once necessary and definitive.

In the industrial order it abolished the guilds and corporations. Fearing lest the traditions and customs might bring about their reconstitution, the Revolution even aimed a blow at the right of association, in order to give the new traditions the time to form themselves, and to make its work imperishable. It was only in the second half of this century that the reaction has begun against that species of political protectionism which has henceforth become useless.

In the agricultural world the Revolution suppressed ~~the right~~ of primogeniture and entail. It went much further. Here also, fearing the dominion of old habits, it determined to prevent the fathers of family from individually reconstituting these superannuated institutions, and it dealt a blow to the right of bequest. Save as regards a portion, carefully limited and left at the disposition of the testator, the Revolution decreed the equal sharing of the property within the family.

These laws have sufficed to bring about very rapidly a radical transformation of society. The idle rich, having no longer the indivisibility of property in order to perpetuate their fortune—~~injured~~ by their tastes for expenditure, and by the partition of the family estates—were very quickly driven to the necessity of selling. The peasants, on the other hand, ever laborious and all the more thrifty as they now saw in their savings the possibility for themselves of becoming possessed of the soil, have piled up money, sou by sou, with which they have bought, in little bits at a time, the lands of the seigneurs and of the ruined bourgeois. It is in this way that, at this moment, the half of the national soil is possessed by agricultural workers, and that thus the instrument of labour is, for the most part, in the hands of those who utilise it.

This democratic work is still going on, and everything—even the depression which has supervened in the returns from agriculture, which makes land a very disadvantageous investment for the bourgeois—tends to cause the agricultural instrument—the soil—to pass more and more into the hands of the workers in the fields. — We may say in passing that the so-called laws of agricultural protection, which have been passionately voted for some time in order to raise the income of the landed proprietor, go counter to this movement, and have the result of fettering the work of the Revolution.

No doubt, this solution of the land question by the division *ad infinitum* of the soil presents some considerable inconveniences. It prevents the employment of machines which, by diminishing the cost of cultivation, would furnish the farmers with the means of struggling more efficaciously against the importations of the foreigner. It renders difficult the employment of the processes of George Ville, which would allow this struggle to be carried on by raising considerably the returns from agriculture. But, in regard to this, association will complete the work which minute subdivision has begun, and association will take place, despite the extreme repugnance of the peasants to part with their property in the soil. It will take place, because it becomes a condition of life or death for our agriculture, and because nothing can prevail against economic necessity.

If, therefore, modern industry had not been created since 1789, and had not developed itself with an extraordinary rapidity, the social question would not exist.

Indeed, with regard to the land, thanks to the laws of the Revolution, that question has, so to speak, solved itself by the normal evolution and by the natural operation of the social forces,—at least within the limits in which a question so complex can be solved,—and it goes on being solved from day to day.

In manufacturing, the material parcelling out of means of wealth-production cannot be an element of solution as it has been in agriculture. The reason for this is simple. Land is of good or bad quality. It is large or small. But in any case, whatever

may be its productive power, whatever may be its extent, it is by itself a complete instrument. Let us take an estate of ten thousand hectares; we have a vast and powerful element of production. If we parcel it out in ten thousand lots of one hectare or in twenty thousand lots of half-a-hectare, each of these lots will be an instrument as complete, as perfect, although much smaller, as it was before the division of the parcelled out estate. There is nothing like this in manufacturing. A factory is an assemblage of varied machines employed by the agency of a central motor, concurring in one single end, and forming a whole—a complicated and higher totality.

In order to remain adapted to its end, this machinery ought always to contain within itself all the parts of which it is composed. If we divide it, if we separate, one from the other, the sub-mechanism of which it is formed, we shall have made considerable capital into a series of objects shorn almost entirely of value, and certainly altogether lacking in productive power.

It is therefore not possible that the worker can become possessed of fractions of a factory as a peasant does of small bits of land. The solution of the problem does not consist in minute subdivision.

But,—as if, in human society, things contained in themselves the element of their own transformation,—the excess of capitalism has caused the remedy to rise to the surface, and this remedy consists in shareholding societies, and in the extreme division of industrial capital which results from the constitution of these societies.

As long as capital was individual and the factory belonged to a single proprietor, the accumulation of capital always emptied itself into the same purse and the poor man was unable to acquire anything from it.

But machinery, by its developments in the course of the nineteenth century, has required such a considerable amount of capital that the normal accumulation was not sufficient. It has therefore been necessary to bring together the capital of different individuals,—to unite, to group, and blend these amounts into a

single capital;—in a word, to form companies. It was only under these conditions that the creation of railways was possible and could be realised.

Afterwards,—the movement still continuing,—trading companies of lesser importance were created, and from the time the legislative powers in the different countries made the association of capital relatively free, the foundation of societies of this nature has taken an immense development. Now, shareholding societies are nothing else than the indirect means of the subdivision of the factory; one cannot divide it materially, but one can divide *ad infinitum* its value, its capital, and, for that very reason, its profits.

And as the shareholder is subject to the conditions of society created in 1789; as, when he himself does not labour—the stocks being divided at each succession—he is promptly ruined; as, moreover, the men of small means economise, save money and buy the stocks which abound in the market, these latter come into possession of moveable property just as the peasant has come into the possession of landed property.

Ask the Panama Company how many large investments and how many small ones there were in their enterprise, and you will be edified as to the diffusion of personal property. It will be objected perhaps that the example is badly chosen, because the savings placed in the Panama enterprise have been destroyed; but this example is only brought forward to show to what a gigantic accumulation of capital the small savings can amount, and from that point of view the example could not be more striking.

As to the bad use that may be made of these savings, the question is quite a different one. Some inquiry needs to be made on that point.

[Trade investments are, in fact, much inferior to land investments because they lend themselves more easily to the machinations of unsound speculation.]

The peasant who makes himself the possessor of a piece of land knows what he buys, and thus finds himself protected from robbery.



The workman who buys stocks in some industrial concern rarely knows what is being sold to him. He is forced to lend faith to the newspapers, which indiscriminately praise the good investments and the bad. And as the bad investments are quoted at a much higher interest; as those who issue the shares advertise them the most extensively; it is more often towards these high-flown investments that the savings of the poor are directed—only to be swallowed up, in the end, in the coffers of a class of financial rascals. Were it not for this piracy which daily goes on and drains the savings of the worker, the movement for the democratisation of industrial capital would have proceeded as rapidly as the democratisation of landed capital.

It is therefore in the direction of the guarantees to provide against these spoliations, against this scandalous exploitation of ignorance, that the public authorities ought to turn their attention. Here we have one of the great means of solving the problem which to-day justly impassions the minds of men.

The public authorities ought also to secure to the workers every imaginable facility to defend their interests against the lords of capital. They entered on that path when they proclaimed the right of association, and granted to the workers the liberty which the laws of 1791 had refused them, *viz.*, to form themselves into trade-unions.

These first essays are still timidly made and must be courageously pursued.

We said before, in a chapter devoted to the iron law, that that law is very relative; that it is only verified under given conditions, in a limited space of time, and on the basis of the actual minimum consumption; that it is not true in time and space, and that unless this were so,—no social progress being realisable,—we should still be in the position we were at the epoch of the troglodytes.

The minimum consumption, as soon as the population becomes limited, presents a constant tendency to rise. Otherwise expressed, real wages—and it is necessary to understand by that

expression the purchasing power of the money received as wages—always tend to augment.

It is incontestable that the natural grouping together of workmen,—such as results from the very force of things, from industrial centralisation,—as well as the voluntary grouping together which the law makes free, and which individual initiative realises, play a considerable part in this increase of the minimum consumption, and consequently of wages.

If this is the case; if the so-called iron-law is moulded only in a malleable metal; if the wages of the worker are not strictly limited to that without which life would be impossible; if the worker obtains, either under the form of diminution of the value of the products or otherwise, the return of a part of the social surplus-value; he becomes apt, like the cultivator of the soil, to economise. He is able, with his savings, to buy bonds and shares, ~~he~~ becomes a capitalist.

Is it necessary, for the solution of the problem, to urge for co-operative associations for the purpose of consumption and production? The answer to that question will have to be positive or negative, according to the end one aims at in seeking to develop co-operation.

If the end aimed at is,—in that respect as for the participation of the profits,—the placing in the hands of the worker an instrument of production and a means of saving superior to those which he possesses already, the answer must be affirmative. Co-operation combines efforts which, without it, would have remained isolated, increases the intensity of labour, and enables intelligent, laborious, and active men to come more quickly by that way than by others into the possession of capital. But if one seeks, in co-operative societies, a means of rendering the workman owner of the tool itself with which he labours, one must answer in the negative the question put just now. It would be necessary, indeed, in order to accomplish that purpose, to make these associations species of societies in mortmain, and to dispossess the worker who would cease to labour of the portion of capital created by him. Thus, one would fall back very quickly in detail into all

the vices of Collectivism, without even having the general advantages of that system. On the other hand, if one or several of those engaged in collective industry may at any moment retire from the society in their capacity as workers, but in so doing only give up the share in the profits appurtenant to their labour,—not the share of the profits appurtenant to their capital,—the society, co-operative at the beginning, ceases very rapidly to be so, and transforms itself into an ordinary shareholding society, the co-operation at the outset having been only a means to enable the members to obtain capital, without having the power to be anything more. Co-operation, therefore, can never become a social institution; it can only be one of the thousand ways which enable the lower classes to rise higher and to enjoy the possession in their turn of the direct benefits of ownership.

But the importance attached to co-operative societies, considered as a means of placing the means of labour in the hands of the worker, arises from a false conception, and even from a narrow conception. No doubt it is necessary to aim towards uniting more and more the functions of capitalist and workman in the same persons. It is necessary to aim at the suppression of mere idlers and mere day-workers. But it is nowise necessary that the functions of workman and capitalist should be confused in the same individuals, and this in the narrow domain of a given production, as is the case with the peasants who are actually owners of the soil. It is not necessary, for example, that in an enterprise in which the iron ore is worked, everybody should be, at the same time, a workman employed at the factory and a shareholder in the same. It is enough that the qualities of capitalist and workman should be combined in those who constitute the whole body of workers engaged in universal production.

An individual may be simply a wage winner in an industry without owning in that industry the least particle of capital, and he may be at the same time a shareholder in another society in which, not contributing any labour, he takes part simply as a capitalist. Many of the drivers of the “fiacres” in Paris were shareholders or bondholders in the Panama Company. They

certainly did not work in the cutting through of the isthmus; they were not, on the other hand, owners of any share in the "Compagnie des petites voitures." And, nevertheless, from the general point of view of society considered as a whole, they were none the less capitalists and workers,—paid workmen in regard to the "Compagnie des petites voitures," and capitalists at Panama. They performed surplus-labour and swelled the surplus-value on the one hand; and they drew, or hoped to draw, from the surplus-value on the other.

The fact that, at the present time, the worker may be a shareholder in the very enterprise to which he is attached is a particular case, a fortuitous incident, which adds nothing to the commingling of functions towards which human society ought to tend and, indeed, does tend. This particular case is perhaps worthy of enlisting our attention. Perhaps there is reason to press the worker forward towards this goal as much as possible by participation in the profits, seeing that when he invests his savings in the enterprise in which he is employed, he knows what he is doing with his money and is less exposed to be deceived. But—let us repeat it—this fact has nothing to do with the general theory. That theory requires that the number of idle capitalists should go on diminishing unceasingly.

Again, it requires that the number of those who are simply paid workers should also go on decreasing. It finally requires that a number of men growing in number every day shall participate, as workers, in the products of the necessary labour, and, as capitalists, in the profits resulting from what Karl Marx calls surplus-labour.

If we educate the worker; if we put him in a position to defend himself against the monstrous enterprises of the baser sort of speculation; if we confer on him rights which will enable him to protect his interests and to cause the iron law to bend more and more every day; the social question—the perpetual *Fieri*, as Hegel would have said—will disappear from the number of our anxieties, because it will go on gradually solving itself. Laws on the limitation of the labour day, on unhealthy occupations, on the

labour of children and women, will equally enable the solution to be hastened.

The same result would probably flow from a progressive tax on successions and from every measure which would check the tendency of great accumulations to get into the same hands. (In a word, one of the errors,—the fundamental error perhaps,—of the Marxist school has consisted in the belief that capital is accumulated in a number of hands becoming every day more restricted; whilst, on the contrary, capital has a marked tendency to become democratised and be diffused.) Marx saw that imaginary being, called the manufactory, and that other imaginary being, called accumulated capital—unique in appearance, and intended to carry on the manufactory,—and he spoke of the stamping out of the small-people because, in fact, the large factories kill the small ones, and the great capitalists kill the small. But what he did not see is, that in this there is only a modification in the mode of production, that the individualisation of capital is not thereby affected, and that, on the contrary, it is facilitated by that concentration.

Indeed, what does it matter if two thousand small traders have been suppressed by the *Bon Marché*, the *Louvre*, the *Printemps* or the *Place Clichy*, when an equal or greater number of producers have been able to invest their savings in the shares of the *Place Clichy*, of the *Printemps*, of the *Bon Marché* or of the *Louvre*? What does it matter if ten incoherent local railway enterprises are replaced by a great and much more general enterprise, when the new company which is formed unites in itself as many shareholders as all the companies which have preceded it? The final result is the same; the ownership is quite as much divided as formerly; it is only more solid, because the great and powerful companies spoken of offer guarantees which are hardly ever offered by the small enterprises having no consistency; and thus they admit of money saved being invested with greater security, without it running the risk of disappearing in a small private business or in a small company with no future before it.

Not only—contrary to what the Marxists, deceived by the con-



temptation of the immense amount of capital put in circulation in our day, suppose—is property quite as much divided to-day as formerly, but it is even infinitely more so.

The movement which was set up in relation to the soil after 1789, is reproduced to-day in the clearest fashion in industry proper; and, in the same way as this movement has solved, in regard to the land, the fundamental question of our time, so it will solve it in this case.

*To hasten that solution what is necessary? We have just indicated it:—viz., to facilitate private enterprises, to guarantee the small people against deception and fraud; each day more and more to furnish the worker with the weapon of education in order to put him in a position to safeguard more efficaciously his interests; to cause the State to intervene in order to protect the liberty of the weak, to oppose that which injures the public health, to act by taxation in a coercive manner with a view to prevent the formation of too great individual fortunes, and also with a view to prevent the soil from being more parcelled up every day; to cause the obstacles to disappear which a series of bad governments have accumulated, and which the actual want of solidarity among the nations forces the governments to accumulate still more.*

The principal of these obstacles lies in the war expenses, and in the national debts which are the consequences thereof.

War expenses have this immense inconvenience, viz. that of being unproductive, and of putting impediments in the way of the accumulation of the general capital of a country. Because they are unproductive it should not, however, be concluded that they are useless.

When a country is menaced—and all countries in Europe are menaced, or may reasonably believe themselves so to be—it is certainly forced to put itself in a state of defence, cost what it may. It is better to expend considerable sums unprofitably than to perish. The *summum bonum* is life. What would be the use of the national wealth when the nations would have perished? But if the expenses of war are useful, if they breed a relative security which renders labour and production possible in the

diverse branches of human activity; if, from this point of view, it is admissible to call them indirectly productive; it is none the less certain that, by themselves, they do not determine the production of any wealth. The labour which they absorb does not, properly speaking, create value. Let a federation of peoples intervene to narrow, and all the guns, all the rifles, all the powder, smokeless or not, will be thrown aside as useless, as presenting no longer any utility, and as incapable of being exchanged with anything.

And these unproductive expenses are considerable. They drain off an immense amount of capital which, if it had remained free, would have fertilised the soil, multiplied the means of communication, and founded new industrial undertakings. These enterprises—by increasing the productiveness of labour, by raising in an absolute manner, even though possibly they may lower in a relative manner, the quantity of wealth which the worker receives; in a word, by rendering the iron law more and more flexible, and by really leading to a rise of wages,—would have the result of facilitating the formation of investments and the continual accession of new social strata to the enjoyment of property.

In lieu of this, these sums are to-day, properly speaking, thrown into the sea. And, as they cannot always be drawn from that part of the national income regularly devoted to public expenses,—as States are obliged to make calls upon the social reserve fund for them, which finds itself diminished to that extent,—it is not to taxation, but to borrowing that nations are compelled to have recourse in order to obtain them. As a consequence, there ensues the gradual formation of enormous debts, the interest on which swells every budget in such a manner, that every day the obstacles to the accumulation of capital become greater, bearing in their train an increase in the price of everything, a slackening of industry, and a progressive diminution of wages resulting from the industrial marasmus combined with the rise in the price of provisions. The iron law renews its power under the domination of these detestable circumstances, and individual thrift meets with ever-increasing obstacles. Further than that, a melancholy pro-

judice springs up in the different countries. The State investments come to be considered as the surest of all. They become the regulators of the market, and it is in this direction that the small savings, and nearly all the savings of average amount, tend to become invested.

Well it is, if the national budgets,—having become more and more swollen,—do not reach one of these states with which private enterprises are too much familiar, and which terminate in a fatal bankruptcy, dragging into disaster all those who will have had an exaggerated confidence in the State credit, and, indirectly even, many of those who have created industries.

As long as it shall be necessary to maintain armies, build fortresses, cast guns, manufacture melinite or other different explosives for the purposes of war; as long as it shall be necessary,—almost as soon as an armament is completed,—to put it aside in order to substitute for it another more in harmony with the progress of the science of destruction; as long as it shall be impossible to extinguish the national debts and even to prevent their increase; as long as the fear of international conflicts shall continue to add itself to all these evils by creating an atmosphere of insecurity, which obstructs all enterprises requiring a lengthy time in which to be completed; as long as the struggle for life between the nations shall force these to fight each other by custom-house tariffs,—as if these latter were gun-shots,—and shall thus fetter exchange and production, as long as these obstacles of all kinds shall remain strewn across the path of mankind, let no one speak of progress, of serious social reforms, and beneficent evolution. No true reform is possible, no social evolution can be effected. At most, what is permitted to the nations is to turn themselves about on their beds of sorrow, while effecting some modifications in their laws which they take for reforms, and which are hardly changes at all.

The social question tends to solve itself by the natural progress of things; and the solution would perhaps be much more hastened on than one thinks if it were possible to urge on the movement. But it will be fatally obstructed, stopping short in its development, and even going backward, as long as that monu-



ment of human folly which is called the armed peace, shall not have disappeared from Europe.

It is not against the great industrial companies, it is not against the masters, that the Socialists ought to concentrate their efforts ; it is against the armed peace.

How can an end be put to this armed peace ? By war, it is said by some. The remedy is, at least, heroic. Would it be efficacious ? I can see clearly what would be lost thereby : young and valiant men, workers in the flower of their age, an immense amount of capital,—for which the war indemnity would not even offer compensation to the victorious nation,—a prolonged stoppage in European labour ; and all this adorned, on the side of the conquered, with national bankruptcies and numberless miseries, without reckoning that, on the morrow of the war, the same rivalries as on the eve of the contest,—or at least, rivalries of the same nature,—would force the co-partners of the spoil to recommence, with renewed vigour, the ruinous system to which, precisely by war, it would have been essayed to put an end. It is, therefore, neither by war that armed peace will be suppressed, nor by armaments that war will be abolished. To the old Latin adage—*Si vis pacem para bellum*, which since the last twenty years the Bismarcks, the Crispis, and other politicians of the same school repeat incessantly, there is good reason to prefer the adage of Enfantin : *Si vis pacem para pacem* (IF YOU WISH PEACE, PREPARE PEACE).

It is, nevertheless, necessary to recognise that it does not depend upon anyone at this moment to stop the movement of furious folly which drags Europe along ; that the peace cannot be fruitful unless it is honourable ; that the nation which would degrade itself to avoid war would avoid probably nothing at all, and would be condemned to suffer war under conditions much more disadvantageous.

It is none the less true that on armed peace, and on it almost exclusively, the social question rests.

If the Socialists would abandon the Collectivistrotchets which keep the sensible minds at a distance from them, and thus injure



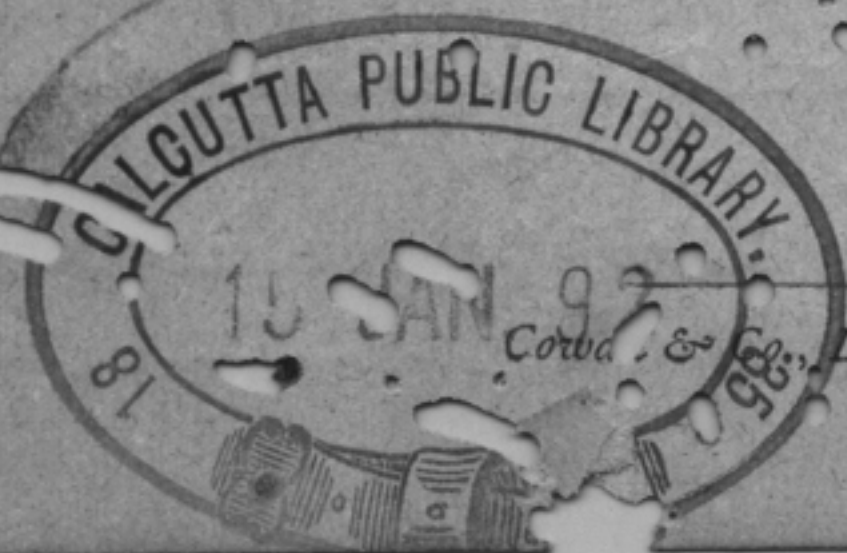
the expansion of the system ; if, everywhere—simultaneously and exclusively—they aimed all their efforts against armaments and war, their political triumph would be rapid, and rapid, too, the natural social evolution which would follow upon the general disarmament. These efforts they put forward, no doubt, but, with them they are the accessory object when they ought to be the principal one ; and, moreover, by the errors which constitute the foundations of their doctrine, they postpone the hour of success.

I am, for my part, profoundly a Socialist. Social inequality and injustice are revolting to me. I am hurt as much as—and more than—any one, by the contrast of excessive wealth and extreme misery. But I have the certitude, no less profound, that Collectivism would aggravate, in lieu of mitigating, the evils from which we suffer ; that the solution,—condemned to remain perpetually imperfect, whilst perpetually approaching nearer to perfection,—should only be sought in the action simply of natural laws and of the normal machinery of society, legislative reforms hardly ever interfering, except in the manner of oil intended to lubricate the State machine. I am certain, above all, that the threats of war, the expenses which they determine, and the national debts which they cause, are the true obstacles to be undermined.

Finally, it is my conviction that the national hatreds and prejudices, which make these evils necessary, will have to disappear in order that Socialism may be possible ; and I am convinced that the chief mission of Socialism is to struggle against these mischievous errors, and to fell them to the ground.

This task Socialism tries to fulfil ; but it does not sufficiently concentrate itself on this single point. Let it do this, and the rapidity of its triumph will equal the greatness of its task.

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