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L' ETAT.

par

M.F. Bastiat

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THE STATE.

DAMN MONEY!

ABOUT

Mr. FRÉDÉRIC BASTIAT,

Representative of the people, -

CORRESPONDING MEMBER OF THE INSTITUTE,
AND OF THE GENERAL COUNCIL OF THE LANDES.

PARIS

GUILLAUMIN ET Ce, BOOKSELLERS-PUBLISHERS
from the Journal of Economists of the Collect. of the principles. economists, etc.
14, RUE RICHELIEU.

1849

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THE STATE.

DAMN MONEY.

**HENNUYER and Ce printing house , rue Lemerrier, 24.
Batignolles,**

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THE AGE

CURSED MONEY

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1849

THE STATE.

I would like us to establish a prize, not of five hundred francs, but of a million, with crowns, crosses and ribbons, in favor of the one who would give a good, simple and intelligible definition of this word: THE STATE.

What an immense service he would render to society!

THE STATE ! Who is it? where is he? What is he doing? what should he do?

All we know about it is that it's a mysterious character, and certainly the most sought after, the most tormented, the most busy, the most advised, the most accused, the most invoked and the most provoked that there is in the world.

Because, Sir, I do not have the honor of knowing you,

but I bet ten to one that for six months you have been creating utopias, and, if you do, I bet ten to one that you will charge the STATE to realize them.

- 6 —

And you, Madam, I am sure that from the bottom of your heart you wish to cure all the ills of sad humanity, and that you would not be embarrassed at all if the STATE would only agree to do so.

But unfortunately! the unfortunate, like Figaro, knows neither who to hear nor which way to turn. The hundred thousand mouths of the press and the platform shout to him at once:

“Organize work and workers.

Root out selfishness.

Suppress the insolence and tyranny of capital.

Experiment with manure and eggs.

Travel the railway country.

Irrigate the plains.

Forest the mountains.

Establish model farms.

Found harmonic workshops.

Colonize Algeria.

Breastfeed children.

Educate the youth. .

Help old age.

Send the city dwellers to the countryside.

Weight the profits of all industries.

Lend money, and without interest, to those who want it.

Postage to Italy, Poland and Hungary. Raise and perfect the saddle horse.

Encourage art, train us musicians and dancers.

Prohibit trade and, at the same time, create a merchant navy.

Discover the truth and throw into our heads a grain of reason. The State's mission is to enlighten, develop, enlarge, strengthen, spiritualize and sanctify the soul of people. »

— “Hey! Gentlemen, a little patience, replies the STATE, with a pitiful air.

“I will try to satisfy you, but for that I need some resources. I have prepared plans for five or six very new and most benign taxes in the world. You will see what pleasure we have in them payer. »

But then a loud cry arises: “Haro! haro! beauty deserves to do something with resources! It would not be worth calling itself the STATE. Far from hitting us with new taxes, we urge you to remove the old ones. Delete:

The salt tax.

The drinks tax;

The letter tax;

The granting;

Patents;

The services. »

In the midst of this tumult, and after the country

-8 -

changed his STATE two or three times for not having satisfied all these requests, I wanted to point out that they were contradictory. What did I think, good God! couldn't I keep this unfortunate remark to myself?

Here I am discredited forever; and it is now accepted that I am a man *without heart and without guts*, a dry philosopher, an individualist, a bourgeois, and, to put it all in a word, an economist of the English or American school.

Oh ! forgive me, sublime writers, let nothing stop, not even contradictions. I am wrong, no doubt, and I retract with all my heart. I ask nothing better, rest assured, that you have truly discovered, apart from us, a beneficent and inexhaustible being, called the STATE, which has bread for all mouths, work for all hands. , capital for all enterprises, credit for all projects, oil for all wounds, balm for all suffering, advice for all perplexities, solutions for all doubts, truths for all intelligences, distractions for all troubles, milk for infancy and wine for old age, which provides for all our needs, forestalls all our desires, satisfies all our curiosities, redresses all our errors, repairs all our faults, and now exempts us all from forethought, prudence,

— 9 —

judgment, sagacity, experience, order, economy, temperance and activity.

Hey! why wouldn't I want it? God forgive me, the more I think about it, the more I find it convenient, and I too long to have, within my reach, this inexhaustible source of wealth and light, this universal doctor, this treasure without background, this infallible advisor that you call the STATE.

So I ask that it be shown to me, that it be defined for me, and that is why I propose the founding of a prize for the first who will discover this phoenix. Because finally, it will be granted to me that this precious discovery has not yet been made, since, until now, everything that presents itself under the name of STATE, the people immediately overthrow, precisely because it does not do not meet the somewhat contradictory conditions of the program.

Should we say it? I fear that we are, in this respect, fooled by one of the strangest illusions that have ever taken hold of the human mind.

Man is loath to Pain, to Suffering. And yet he is condemned by nature to the Suffering of

Privation, if he does not take the Pain of Labor. He therefore only has the choice between these two evils. How can I avoid them both? He has so far found and will never find only one way: to *enjoy the work of others*; is to ensure that Pain and Satisfaction do not fall

— 10 —

not to each according to natural proportion, but let all the pain be for some and all the satisfaction for others. Hence slavery, hence again spoliation, whatever form it takes: wars, impostures, violence, restrictions, frauds, etc., monstrous abuses, but consistent with the thought which gave birth to them. We must hate and fight

oppressors, we cannot say that they are absurd.

Slavery is going away, thanks to Heaven, and, on the other hand, this disposition in which we are to defend our property means that direct and naive Spoliation is not easy. One thing, however, remained. It is this unfortunate primitive inclination that all men carry within themselves to make two parts of the complex lot of life, casting the Pain on others and keeping the Satisfaction for themselves. It remains to be seen in what new form this sad trend manifests itself.

The oppressor no longer acts directly with his own forces on the oppressed. No, our conscience has become too meticulous for that. There is still the tyrant and the victim, but between them there is an intermediary which is the State, that is to say the law itself.

What could be more likely to silence our

scruples and, what is perhaps more appreciated, to overcome resistance? So, all of us, at any time, under one pretext or another, we address

—11—

in the state. We tell him: "I do not find that there is a proportion between my enjoyments and my work that satisfies me. To establish the desired balance, I would like to take some of the property of others. But it's dangerous. Couldn't you make this easier for me? couldn't you give me a good seat? Or hinder my competitors' industry? Or even lend me free capital that

you have taken from its owners? or raise my children at public expense? or grant me incentive bonuses? or ensure my well-being when I am fifty? By this means I will achieve my goal with complete peace of mind, because the law itself will have acted for me and I will have all the advantages of spoliation.

without having either the risks or the odiousness!

As it is certain on the one hand that we all address some similar request to the State, and that, on the other hand, it is proven that the State cannot provide satisfaction to some without adding to the work of others, in awaiting another definition of the State, I believe I am authorized to give mine here. Who knows if she won't win the prize? There she is :

THE STATE is the great fiction through which EVERYONE strives to live at the expense of EVERYONE .

Because today, as in the past, everyone, a little more, a little less, would like to enjoy the work

-13 -

of others. We do not dare to display this feeling, we hide it from ourselves; and then what do we do? We imagine an intermediary, we address the STATE, and each class in turn comes to say: "You who can take fairly, honestly, take from the public, and we will share. » Alas! the State is only too inclined to follow the diabolical advice; because it is made up of ministers, officials, and finally men, who, like all men, carry desire in their hearts and always eagerly seize the opportunity to see their wealth and influence grow. The State therefore quickly understands the advantage it can take from the role that the public entrusts to it. He will be the arbiter, the master of all destinies; he will take a lot, therefore he will have a lot left for himself; he will multiply the number of his agents, he will widen the circle of his attributions; it will eventually acquire overwhelming proportions.

But what must be noted is the astonishing blindness of the public in all this. When happy soldiers reduced the vanquished into slaves, they were barbaric, but they were not absurd. Their aim, like ours, was to live at the expense of others; but, like us, they did not miss it. What should we think of a people where we do not seem to suspect that *reciprocal pillage* is no less pillage because it is reciprocal, that it is no less criminal because it

— 45 —

executes lawfully and orderly; that it adds nothing to the public welfare; that on the contrary it reduces it by everything that this expensive intermediary that we call the STATE costs?

And we have placed this great chimera, for the edification of the people, at the frontispiece of the Constitution.

Here are the first words of the preamble:

<<France was established as a Republic to... call all citizens to an ever higher degree of morality, light and well-being.>>

Thus, it is France or *abstraction* which calls the French or *realities* to morality, well-being, etc. Isn't this a continuation of this bizarre illusion which leads us to expect everything from an energy other than our own? Does this not suggest that there is, alongside and apart from the French, a virtuous, enlightened, rich being, who can and must shower his benefits on them? Is this not assuming, and certainly gratuitously, that there are between France and the French,

between the simple abbreviated, abstract denomination of all individualities and these very individualities, relationships of father to son, of tutor to ward, from teacher to schoolboy? I know well that people sometimes say metaphorically: the homeland is a tender mother. But to catch the constitutional proposition in flagrante delicto as inanity, it is enough to show that it can be turned around, I do not

— 14 —

not say without disadvantage, but even with
advantage. Would accuracy suffer if the preamble
had said :

“The French formed themselves into a Republic to call
France to an ever higher degree of morality, light and well-
being. »

Now, what is the value of an axiom where the subject and
the attribute can hunt-cross without

disadvantage? Everyone understands that we say:
the mother will breastfeed the child. But it would be ridiculous to
say: the child will breastfeed the mother.

The Americans had another idea of the relations of citizens
with the State when they placed these simple
words at the top of their Constitution:

“We, the people of the United States, to form a more perfect
union, to establish justice, to insure domestic tranquility, to
provide for the common defense,

increase general well-being and ensure the benefits
of freedom to ourselves and our posterity
decree, etc. »

Here there is no chimerical creation, no abstraction from
which citizens demand everything. They don't wait
nothing but themselves and their own energy.

If I have allowed myself to criticize the first words of our
Constitution, it is because it is not a question

— 15 —

not, as one might believe, of pure metaphysical subtlety. I claim that this *personification* of the STATE has been in the past and will be in the future a fertile source of calamities and revolutions.

Here is the Public on one side, the State on the other, considered as two distinct beings, the latter required to spread on the former, the former having the right to claim from the latter the torrent of human felicities . What must happen?

In fact, the State is not one-armed and cannot be.

He has two hands, one for receiving and the other for giving, in other words the rough hand and the gentle hand. The activity of the second is necessarily

subordinate to the activity of the first. Strictly speaking, the State can take and not give back. This was seen and explained by the porous and absorbent nature of his hands which always retain part and sometimes all of what they touch. But what has never been seen, what will never be seen, and cannot even be imagined, is that the State gives back to the public more than it took from it. It is therefore very foolishly that we adopt the humble attitude of beggars around him. It is him

radically impossible to confer a particular advantage on some of the individuals who constitute the community, without inflicting damage

superior to the entire community.

— 16 —

It is therefore placed, by our requirements, in a obvious vicious circle.

If he refuses the good that is demanded of him, he is accused of impotence, of bad will, of incapacity. If he tries to achieve this, he is reduced to hitting the people with double taxes, to doing more harm than good, and to attracting, from another end, the general disaffection.

Thus, in the public two hopes, in the government two promises: *many benefits and no taxes*. Hopes and promises which, being contradictory, never come true.

Is this not the cause of all our revolutions? Because between the State which lavishes impossible promises, and the public which has conceived unrealizable hopes, two classes of men intervene: the ambitious and the utopians. Their role is clearly defined by the situation. It is enough for these courtiers of popularity to shout in the ears of the people: "Power is deceiving you; if we were in his place, we would shower you with blessings and free you from taxes. »

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

His friends are no sooner in business than they are summoned to do so. "Give me work, bread, help, credit, education, colonies, says the people, and yet, according to

— 4t —

your promises, deliver me from the clutches of the taxman. »

The new *State* is no less embarrassed than the old *State*, because, when it comes to the impossible, one can promise, but not keep. He is trying to save time; he needs it to mature his vast projects. First he made a few timid attempts: on the one hand, he extended primary education somewhat; on the other, he modified the tax on drinks somewhat (1830). But the contradiction still stands before

him: if he wants to be a philanthropist, he is forced to remain fiscal, and if he renounces taxation, he must also renounce philanthropy.

These two promises always and necessarily prevent each other. Using credit, that is to say devouring the future, is indeed a current means of reconciling them; we try to silence a little good in the present at the expense of a lot of evil in the future.

But this process evokes the specter of bankruptcy which chases away credit. So what to do? Then the new *State* bravely takes its stand; he gathers forces to maintain himself, he stifles opinion, he resorts to arbitrariness,

he ridicules his ancient maxims, he declares that one can only administer on the condition of being unpopular;

in short, he proclaims himself *governmental*.

And that's where other courtiers of popularity are waiting for him. They exploit the same illusion, pass

2

— 18 —

by the same path, obtain the same success, and will soon be swallowed up in the same abyss.

This is how we arrived in February. At that time, the illusion which is the subject of this article had penetrated further than ever into the ideas of the people, with socialist doctrines. More than ever, he expected that *the State*, in the republican form, would open wide the source of benefits and close that of taxes. "I have often been deceived," said the people, "but I myself will see to it that I am not deceived again. »

What could the provisional government do? Alas! what we always do in such circumstances:

promise, and save time. There did not fail, and to give his promises more solemnly he fixed them in decrees. "Increase in well-being, reduction in work, relief, credit, free education, agricultural colonies, land clearing, and at the same time reduction on the tax on salt, drinks, letters, meat, everything will be granted... comes the National Assembly. »

The National Assembly came, and as one cannot realize two contradictions, its task, its sad task was limited to withdrawing, as gently as possible, one after the other, all the decrees of the provisional government.

However, in order not to make the disappointment too

- 19 —

cruel, it was necessary to compromise somewhat. Some commitments have been maintained, others have only just begun to be implemented. So the current administration is trying to imagine new taxes.

Now I transport myself in thought to a few months in the future, and I wonder, with sadness in my soul, what will happen when agents of new creation will go to our campaigns levy the new inheritance taxes, on income, on the profits of the agricultural operation. May Heaven belie my presentiments, but I still see a role to play here for the courtiers of popularity.

Read the last Manifesto of the Montagnards, the one they issued regarding the presidential election. It is a bit long, but, after all, it can be summed up in two words: *The State must give a lot to citizens and take little from them.* It's always the same tactic, or, if you like, the same mistake.

“The State owes free instruction and education to all citizens. »

He must:

“General and professional education appropriate, as far as possible, to the needs, vocations and abilities of each citizen. »

He must :

“Teach him his duties towards God, towards

— So-

men and towards himself; develop his feelings, his aptitudes and his faculties, finally give him the knowledge of his work, the intelligence of his interests and the knowledge of his rights. »

He must :

“Put within reach of all, letters and the arts, the heritage of thought, the treasures of the spirit, all the intellectual pleasures which elevate and strengthen the soul.
»

He must :

“Repair any disaster, fire, flood, etc. (this *et cetera* says more than it is big) experienced by a citizen. »

He must :

“Intervene in the relationship between capital and labor and become the regulator of credit. »

He must :

“Serious encouragement and effective protection for agriculture. »

He must :

“Buy back the railways, the canals, the mines”, and undoubtedly also administer them with this industrial capacity that characterizes it.

He must :

“Provoke generous attempts, encourage them and help them with all the resources capable of making them triumph.
Credit regulator, he will sponsor

— 21 —

largely industrial and agricultural associations, in order to ensure its success. »

The State owes all this, without prejudice to the services it faces today; and, for example, he must always be in a threatening attitude towards strangers; because, say the signatories

of the program: "Linked by this holy solidarity and by the precedents of Republican France, we carry our wishes and our hopes beyond the barriers that despotism raises between nations: the right that we want for ourselves, we want for all those oppressed by the yoke of tyrannies; we want our glorious army let it still be, if necessary, the army of freedom."

You see that the gentle hand of the State, this good hand which gives and which spreads, will be very busy under the government of the Montagnards. Do you perhaps believe that it will be the same with the rough hand, with that hand which penetrates and draws from our pockets?

Think again. Popular courtiers would not know their trade if they did not have the art, by showing the gentle hand, of hiding the harsh hand.

Their reign will certainly be the jubilee of the taxpayer. "(It is the superfluous, they say, not the necessary that the tax must reach. »

Will it not be a good time when, for

- 22 —

overwhelm us with benefits, the taxman will be content to deprive us of our surplus?

That's not all. The Montagnards aspire for "the tax to lose its oppressive character and to become nothing more than an act of fraternity. »

Goodness from heaven! I knew well that it is fashionable to put fraternity everywhere, but I had no idea that it could be put in the tax collector's bulletin.

Coming to the details, the signatories of the program say:

"We want the immediate abolition of taxes on basic necessities, such as salt, drinks, etc.

"The reform of land tax, grants, patents.

"Free justice, that is to say the simplification of forms and the reduction of costs. »(This probably relates to the stamp.)

Thus, land tax, grants, patents, stamps, salt, drinks, posts, everything goes there. These gentlemen have found the secret of giving burning activity

to the *gentle* hand of the State while paralyzing its *hand rude*.

Well, I ask the impartial reader, won't I? not childishness, and more than

dangerous childishness? How could the people not make revolution after revolution, if it is once decided

- 25 -

to stop only when he has realized this contradiction:
"Give nothing to the State and receive a lot from it!" »

Do we believe that if the Montagnards came to power, they would not be victims of the means they use to seize it?

Citizens, two political systems have always been present, and both can support each other with good reasons. According to one, the State must do a lot, but it must also take a lot. According to the other, its dual action should be felt little. Between these two systems you have to choose. But as for the third system,

participating in the other two, and which consists of demanding everything from the State without giving it anything, it is chimerical, absurd, childish, contradictory, dangerous. Those who put it forward, to give themselves the pleasure of accusing all powerless governments and thus exposing them to your blows, these flatter and deceive you, or at least they deceive themselves.

As for us, we think that the State is or should not be anything other than the *common force* established, not to be between all citizens an instrument of oppression and dispossession reciprocal, but, on the contrary, to guarantee each to his own, and to ensure justice and security reign.

DAMN MONEY.

— Damned money! damn money! cried F* the economist with a desolate air, coming out of the Finance Committee where a paper money project had just been discussed.

—What do you have? I said. Where does this disgust come from? suffered for the most praised deities of this world?

— Damned money! cursed money!

— You alarm me. There is nothing that at one time or another I have not heard blasphemed, peace, liberty, life, and Brutus went so far as to say: Virtue! you're just a name!

But if something has been missed so far...

— Damned money! damn money!

— Come on, a little philosophy. What happened to you? Did Croesus just splash you? Mondor has he taken away the love of your loved one? or did Zoilus bought a diatribe against you from the gazetteer?

- 26 -

— I do not envy the chariot of Croesus; my fame, through its nothingness, escapes the tongue of Zoile; and as for my sweetheart, never, never even the shadow of the lightest stain...

—Ah! I'm there. Where was my head? You are also the inventor of a social reorganization, F* *system* .

You want your society to be more perfect than that of Sparta, and for that all currency must be severely banned. What you

The embarrassment is to make your followers empty their purses. What do you want? it's the pitfall of all reorganizers. There is not one that did not work wonders

if he managed to overcome all resistance, and if all of humanity agreed to become soft wax between his fingers; but she persists in not being soft wax. She listens, applauds or disdains, and goes as before.

— Thank Heaven, I am still resisting this mania of the day. Instead of inventing social laws, I study those that God was pleased to invent, having moreover the happiness of finding them admirable in their

progressive development. And that's why I repeat: Cursed money! damn money!

— So you are a Proudhonist or a Proudhonist? Hey, sad! you have an easy way to satisfy yourself. Throw your purse into the Seine, reserving only a hundred sous for buying a share in the Banque d'Exchange.

— Since I curse money, judge whether I should curse its deceptive sign!

— So, I only have one hypothesis left. You are a new Diogenes, and you are going to degrade me with a Seneca-style tirade about contempt for wealth.

- —Heaven forbid! Because wealth, you see, is not a little more or a little less money. It is bread for the hungry, clothing for the naked, wood that warms, oil that lengthens the day, a career open to your son, a dowry assured for your daughter, a day of rest for fatigue, a cordial for weakness, help slipped into the hand of the poor shameful person, a roof against the storm, wings for friends who come closer, a diversion for the head that thought bends, the incomparable joy of making those who are dear to us happy. Wealth is education, independence, dignity, trust, charity, everything that the development of our faculties

can meet the needs of the body and the mind, that is progress, that is civilization. Wealth is the admirable civilizing result of two admirable

agents, even more civilizing than itself: work and exchange.

- Good ! are you not now going to sing a dithyramb to wealth, when, only a moment ago, you were heaping gold with your imprecations?

- » -

— Hey! Don't you understand that it was simply an economist's joke! I curse money precisely because it is confused, as you have just done, with wealth, and from this confusion arise errors and calamities without

number. I curse him, because his function in society is poorly understood and very difficult to do to understand. I curse him, because he confuses all ideas, mistaking the means for the end, the obstacle for the cause, alpha for omega; because it presence in the world, beneficial in itself, including however introduced a disastrous notion, a petition of principles, a reverse theory, which, in its multiple forms, has impoverished men and bloodied the earth. I curse him, because I feel incapable of combating the error to which he gave birth other than through a long and tedious dissertation that no one will listen to. Ah! if I at least had a patient and willing listener under my hand!

— Morbleu! it will not be said that for lack of a victim you will remain in the state of irritation in which I see you. I listen ; speak, discuss, do not embarrass yourself in any way.

—You promise to take an interest...

— I promise to be patient.

— It's very little.

— That's all I can have. Start,

- » -

and explain to me first how a mistake about money, if there is a mistake, lies at the bottom of all economic errors.

— There, frankly, hand on conscience, have you ever confused wealth with money?

- I do not know ; I never agonized over political economy. But, after all, what results

would he laugh?

- Not much. An error in your brain without influence on your actions, because, you see, in matters of work and exchanges, although there are as many opinions as there are heads, we all act in the same way.

— Almost as we walk according to the same principles, although we do not agree on the theory of balance and gravitation.

- Exactly. Someone who would be led by his inductions to believe that, during the night, we have our heads down and our feet up, could write beautiful books on this, but he would behave like everyone else.

— I believe so. Otherwise, he would quickly be punished for being too good a logician.

— Likewise, this man would soon die of hunger who, having convinced himself that money is real wealth, would be consistent to the end. that's why

— 50 —

this theory is false, because there is no true theory other than that which results from the facts themselves, as they manifest themselves at all times or in all places.

— I understand that, in practice and under the influence of personal interest, the fatal consequence of the erroneous act constantly tends to redress

the mistake. But if the one you're talking about has so little influence, why does she give you such annoyance?

— This is because, when a man . . . instead of acting for himself, decides for others, personal interest, this sentinel so vigilant and so sensitive, is no longer there to cry: Ouch! Responsibility is shifted.

It is Peter who makes a mistake, and it is John who suffers; the false system of the legislator necessarily becomes the rule of action of entire populations. And see the difference. When you have money and are very hungry, whatever your theory of money,

what are you doing?

— I go to a baker's and buy some bread,

— You don't hesitate to part with your money?

— I only have it for that.

—And if, in turn, this baker is thirsty, what does he do?

— He goes to the wine merchant and drinks a cannon with the money I gave him.

- What ! He's not afraid of getting ruined?

—The real ruin would be not to eat or drink.

— 31 —

— And all men who are on earth, if they are free, act the same?

- Without a doubt. Do you want them to starve to save money?

— Far from it, I find that they act wisely, and I would like the theory to be nothing other than the faithful image of this universal practice. But now suppose you are the lawgiver, the absolute king of a vast empire where there are no gold mines.

— I like fiction quite a bit.

— Let us further suppose that you are perfectly convinced of this: Wealth consists solely and exclusively in cash; that in
would you conclude?

— I would conclude that there is no other way for me to enrich my people, or for them to enrich themselves, than to extract money from other peoples.

— That is to say, to impoverish them. The first consequence you would arrive at would therefore be this: A nation can only gain what another loses.

— This axiom has the authority of Bacon and Montaigne.

—It is no less sad, because ultimately it amounts to saying: Progress is impossible. Two peoples,

-52-

no more than two men can prosper side by side.

— It seems that this follows from the principle.

—And as all men aspire to enrich themselves, it must be said that all aspire, by virtue of a providential law, to ruin their fellow men.

— It's not Christianity, but it's political economy.

— Detestable. But let's continue. I made you absolute king. It is not to reason, but to act. Nothing limits your power. What are you going to do under this doctrine: wealth is money?

— My views will be to continually increase, within my people, the mass of cash.

— But there are no mines in your kingdom.

How will you go about it? What will you order?

— I won't order anything; I will defend. I will forbid, under penalty of death, the taking of a crown out of the country.

—And if your people, having money, are also hungry?

- Anything. In the system in which we reason, allowing him to export ECUs would be him allow one to become poorer.

— So that, by your admission, you would force him to conduct on a principle opposite to that which you

- 33 -

guide yourself in similar circumstances.

Why that ?

— It is undoubtedly because my own hunger pricks me, and the hunger of the people does not prick the legislators.

— Well, I can tell you that your plan would fail, and that there is no supervision vigilant enough to prevent, when the people are hungry, the crowns from leaving, if the wheat is free to enter.

— In this case, this plan, erroneous or not, is ineffective for both good and evil, and we no longer have to worry about it.

— You forget that you are a legislator. Is a legislator so discouraged when he experiments on others? The first decree having failed, would you not look for another means to achieve your goal?

- What purpose?

— You have a short memory; that of increasing, within your people, the mass of cash supposed to be the only and true wealth.

—Ah! you put me back; pardon. But the fact is that, you see, it has been said about music: Not too much is necessary; I believe this is even more true of the economy policy. Here I am again. But I really don't know what to imagine...

— Look carefully. First, I would point out to you that your first decree did not resolve the problem

3

-54-

only negatively. Preventing money from flowing out is indeed preventing wealth from decreasing, but it is not increasing it.

—Ah! I am on the way... this wheat free to enter...

A bright idea comes to me... Yes, the detour is ingenious, the infallible means, I reach the goal.

— In my turn, I will ask you: what goal?

— Hey! morbleu, to increase the mass of cash.

— How will you go about it, please?

— Isn't it true that for the pile of money to always grow, the first condition is that it never be cut?

- GOOD.

—And the second, which we always add?

- Alright.

— So the problem will be resolved, negative and positive, as the socialists say, if on the one hand I prevent the foreigner from drawing from it, and if, on the other, I force him to draw on it pour.

- Better and better.

— And for that two simple decrees where cash will not even be mentioned. By one, my subjects will be forbidden to buy anything from outside; by the other, they will be commanded to sell a lot there.

— It's a very well-conceived plan.

- 55 -
Is it new? I'm going to get a patent for an invention.

— Don't bother; priority would be contested. But be careful of one thing.

- Which?

— I made you almighty king. I understand

that you will prevent your subjects from purchasing foreign products. It will
be enough to prohibit entry.

Thirty or forty thousand customs officers will do the trick.

- It's a bit expensive. What does it matter? The money we give them does not leave the
country.

- Without a doubt; and in our system, it is

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- 56 -

— I will have an army and I will force their barriers.

— They will have an army and will force yours.

— I will arm ships, I will make conquests, I will acquire colonies, and will create consumers for my people who will be obliged to eat our wheat and drink our wine.

— The other kings will do the same. They You will dispute your conquests, your colonies and your consumers. There is war everywhere and the world is on fire.

— I will increase my taxes, my customs officers, my navy and my army.

— Others will imitate you.

— I will redouble my efforts.

— They will do the same. In the meantime, there is no proof that you will have managed to sell a lot.

— It is only too true. Blessed if the efforts commercial neutralize each other.

— As well as military efforts. And tell me ^{these} customs officers, these soldiers, these ships,

these overwhelming contributions, this perpetual tension towards an impossible result, this permanent state of open or secret war with the whole world, are they not the logical, necessary consequence of what the legislator is covered with this idea (which is not, you are agreed, for the use of any man acting for himself): "Wealth is cash; does increasing cash mean increasing wealth? »

— 57 —

- I agree with that. Either the axiom is true, and then the legislator must act in the sense that I have said, although it is universal war. Or it is false, and, in this case, it is to ruin themselves that men tear themselves apart.

—And remember that before being king, this same axiom had led you by logic to these maxims: "What one gains, the other loses. THE one person's profit is another person's damage"; which imply an irremediable antagonism between all men.

— It is only too certain. Philosopher or legislator, whether I reason or act, starting from this principle: money is wealth, I always arrive at this conclusion or this result: universal war. Before discussing it, you did well to point out to me the consequences; without that, I would never have had the courage to follow you to the end in your economic dissertation, because, to speak to you bluntly, it is not entertaining.

— Who do you tell it to? That's what I was thinking when you heard me mutter: Damn money! I lamented that my compatriots do not have the courage to study what is so important to them to know.

—And yet, the consequences are frightening.

- The results ! I didn't tell you about it

- 58 -

only one. I could have shown you more disastrous ones

Again.

“You’re making my hair stand on end!”

What other evils could this confusion between Money and Wealth have inflicted on humanity?

— It would take me a long time to list them. It is a doctrine that has many lineages. His eldest son, we have just met him, is called

prohibitive regime; the cadet, colonial system; the third, hatred of capital ; Benjamin, paper money.

- What! paper money proceeds in the same way error?

— Directly. When the legislators, after having ruined men by war and taxes, persevere

in their idea, they say to themselves: “If the people suffer, it is because they do not have enough money. It must be done. » And as it is not easy to multiply precious metals, especially when we have exhausted the so-called resources of prohibition, “we

we will make fictitious cash, they add, nothing is easier, and every citizen will have his wallet full of it! they will all be rich. »

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

— No, but in the civil war.

— You are very pessimistic. Hurry then

— 39 —

to address the issue on its merits. I am quite surprised to want, for the first time, to know if money (or its sign) is wealth.

— You will grant me that men do not immediately satisfy any of their needs with
ECU. If they are hungry, they need bread; if they are naked, clothes; if they are sick,
remedies; if they are cold, shelter, fuel; if they
aspire to learn, books; if they want to travel, vehicles, and so on.

The wealth of a country is recognized by the abundance and good distribution of all these things.

By which you must recognize with happiness
how false is this sad maxim of Bacon: *This that one people wins, the other necessarily loses*; maxim expressed in a more distressing way
again by Montaigne, in these terms: *The profit of one is the damage of the other*. When Shem, Ham and Japheth shared the vast solitudes of this earth, each of them was certainly able to build, wither, sow, harvest, house themselves better, feed themselves better, clothe themselves better, educate themselves better, improve themselves, in a word, enrich and increase his enjoyments, without resulting in a necessary depression in the similar enjoyments of his brothers. It is the same with two peoples.

— Without doubt, two peoples, like two men, without relations between them, can, by working

— 40 —

more, by working better, prosper side by side without harming each other. This is not what is denied by the axioms of Montaigne and Bacon. They only mean that, in trade between two peoples or two men, if one wins, the other must lose. And this is self-evident; the exchange adding nothing by itself to the mass of these useful things of which you spoke, if after the exchange one of the parties finds itself having more, the other party must find itself having less.

— You have a very incomplete idea of the exchange, incomplete to the point of becoming false. If Shem is on a plain fertile in wheat, Japheth on a hill suitable for producing wine, Ham on rich pastures, it is possible that the separation of

occupations, far from harming one of them, will make them all prosper. the three. This must even happen, because the distribution of work, introduced by exchange, will have the effect of increasing the mass of wheat, wine and meat to be shared. How would it be otherwise, if you admit the freedom of these transactions? As soon as one of the three brothers realizes that work, so to speak as a member, constitutes a permanent loss for him, compared to solitary work, he would give up trading.

The exchange carries with itself its title to our recognition. It is accomplished, therefore it is good.

— But Bacon's axiom is true when it comes to

— 41 —

gold and silver. If we admit that at a given moment there exists a given quantity in the world, it is very clear that one purse cannot be filled without another purse being emptied.

—And if we profess that gold is wealth, the conclusion is that among men there are shifts of fortune and never general progress. That's precisely what I said at the start. If, on the contrary, you see true wealth in the abundance of useful things capable of satisfying our needs and our tastes, you will understand simultaneous prosperity as possible. Cash only serves to facilitate the transmission of these useful things from one hand to another, which is accomplished as well with an ounce of a rare metal, like gold, as with a pound of more precious metal. abundant, like silver, or with half a quintal of an even more abundant metal, like copper. According to this, if there were at the disposal of all French people once more of all these useful things, France would be twice as rich, although the quantity of cash remained the same; but it would not be so if there were double the amount of money, the mass of useful things not increasing.

— The question is whether the presence of a greater number of crowns does not precisely have the effect of increasing the mass of useful things.

— What relationship can there be between these two?

— 42 —

terms? Food, clothing, houses, fuel, all this comes from nature and work, from more or less skillful work exerted on a more or less liberal nature.

— You forget a great force, which is exchange. If you admit that it is a force, as you agree that the crowns facilitate it, you must agree that they have an indirect power of production.

— But I added that a little rare metal facilitates as many transactions as a lot of abundant metal, from which it follows that you do not enrich a people by *forcing* them to give useful things to have more money.

— So, according to you, the treasures found in California will not increase the wealth of the world?

— I do not believe that they add much to the enjoyments, to the real satisfactions of humanity taken as a whole. If California's gold only replaces that which is lost and destroyed in the world, it may have its use. If he increases its mass, he will depreciate it. Gold prospectors will be richer than they otherwise would have been. But those in whose hands the current gold will be found at the time of depreciation will obtain less satisfaction for the same sum. I cannot see there an increase, but a displacement of true wealth, as I have defined it.

— 45 —

—All this is very subtle. But you will have plenty of struggle to make me understand that I am not richer, all things being equal, if I have two crowns, than if I have only one.

— So that's not what I'm saying.

—And what is true of me is true of my neighbor, and of my neighbor's neighbor, and so on, step by step, going around the country. So, if each French person has more crowns, France is richer.

—And here is your error, the common error, consisting in concluding *from one to all* and from the particular to the general.

- What! Isn't this the most conclusive of all conclusions? Isn't what is true for each person true for everyone? What are *all*, if not *each one* named at once? You might as well tell me that *each*

French people could suddenly grow an inch taller, without the average height of all French people being higher.

— The reasoning is specious, I agree, and that is precisely why the illusion it conceals is so common. However, let's examine.

Ten players gathered in a living room. For convenience, they each took ten tokens for which they placed one hundred francs under the candlestick, so that each token corresponded to ten francs. After the game

— 42 —

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- 44 -

the accounts were settled, and the players removed from the candlestick as many times ten francs as they could represent in chips. Seeing this, one of them, a great arithmetician perhaps, but a poor reasoner, said: Gentlemen, an invariable experience teaches me that at the end of the game I find myself all the richer the more I have more chips. Have you not made the same observation about yourselves? So what is true of me is successively true of each of you, and *what is true of each is true of all*. So we would all be richer, at the end of the game, if we all had more chips.

Now, nothing is easier; just distribute double.

That's what was done. But when, the game over, we came to the rules, we noticed that the thousand francs on the candlestick had not miraculously multiplied, according to general expectation. They had to be shared, as they say, *pro rata*, and the only (very chimerical!) result obtained was this: everyone had double the number of tokens, but each token, instead of corresponding to *ten*

francs, only represented *five*. It was then perfectly noted that what is true for each person is not always true for everyone.

— I believe it: you suppose a general increase in chips, without a corresponding increase in the stake under the candlestick.

—And you suppose a general increase

- 4S -

of crowns without a corresponding increase in the things of which these crowns facilitate the exchange.

— Do you compare coins to tokens?

— No, certainly, in other respects; yes, from the point of view of the reasoning that you opposed to me and that I had to combat. Notice one thing. For there to be a general increase in crowns in a country, it is necessary either for this country to have mines, or for its trade to be carried out in such a way that it gives useful things in order to receive cash. Outside of these two hypotheses, a universal increase is impossible, the crowns only changing hands, and, in this case, although it is very true that each person taken individually is all the richer the more he has ECU, we cannot deduce the generalization that you made just now, since one more ECU in one stock market necessarily implies one less ECU in another. It's like

in your comparison with the average size. If each of us grew only at the expense of others, it would be true of each one taken individually that he will be a more handsome man, if he is lucky enough, but this will never be true of all taken collectively.

- Either. But in the two hypotheses that you have pointed out, the increase is real, and you will agree that I am right.

Until a certain point.

- 46 -

— Gold and silver have value. To obtain it, men agree to give useful things which also have value. So when there are mines in a country, if that country extracts enough gold to buy something useful abroad, for example, a locomotive, it becomes enriched with all the pleasures that a locomotive can provide, exactly as if he had made it. The question for him is whether he expends more effort in the first process than in the second. That if he didn't export this gold, it would depreciate and something worse would happen than what you see in California, because there at least precious metals are used to buy useful things made elsewhere. Despite this, there is a risk of starving to death on piles of gold.

What would it be if the law prohibited its export?

As for the second hypothesis, that of the gold which comes to us through trade, it is an advantage or a disadvantage, depending on whether the country needs it more or less, compared to the need it also has for useful things including you have to undo yourself to acquire it. It is up to those concerned to judge, and not to the law; because if the law starts from this principle, that gold is preferable to useful things, regardless of the value, and if it manages to act effectively in this direction, it tends to make France a reversed California, where there is will have plenty of cash to buy,

— 47 —

and nothing to buy. This is still the system of which Midas is the symbol.

— The gold that comes in implies a *useful thing* that goes out, I agree, and, in this respect, there is a satisfaction taken from the country. But is it not replaced with advantage? and of how many new satisfactions will this gold not be the source, circulating from hand to hand, provoking work and industry, until in the end it comes out in its turn, and implies the entry of something useful?

— Here you are at the heart of the question. Is it true that a shield is the principle which produces all the objects whose exchange it facilitates? We agree that a five-franc crown is only *worth* five francs; but we are led to believe that this value has a particular character; that it does not destroy itself like the others, or only destroys itself over time; that it is renewed, so to speak, with each transmission; and that ultimately this shield has been worth as many five francs as many transactions it has carried out, that it alone is worth as much as all the things for which it has successively been exchanged; and we believe this, because we suppose that, without this shield, these things would not even have happened. They say: Without him, the shoemaker would have sold a pair of shoes less; therefore, he would have bought less butchery; the butcher would have been less often to the grocer, the grocer to

the doctor, the doctor at the lawyer, and so on .

— That seems indisputable to me.

— It is time to analyze the true function of cash, excluding mines and imports.

You have a shield. What does it mean in your hands? it is there as the witness and the proof that you have, at any time, carried out work, from which instead of profiting, you made society benefit, in the person of your client. This shield testifies that you have rendered a *service* to society, and, moreover, it demonstrates its value. It also shows that you have not yet received any *real* service from society. equivalent, as was your right. To enable you to exercise it, when and how you please, the company, through the hands of your client, has given you recognition , a *title*, a *Republic bond*, a *token*, a *crown* in short, which only differs from fiduciary titles in that it carries its value in itself, and if you know how to read, with the eyes of the mind, the inscriptions with which it is charged, you will distinctly decipher these words: “ *Make to the bearer, against the present, a service equivalent to that which he has rendered to society, value received noted, proven and measured by that which is in myself,)*”

Now you give me your money. Or is it

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free of charge, or for a fee. If you give it to me as the price of a service, this is what results: your account of real satisfactions with the company is settled, balanced and closed. You had rendered him a service for a crown, you now return him the crown for a service; leaving leaves as for you. For me, I'm exactly in the position you were in just now. It is I who am now in advance towards society of the service that I have just rendered to it in your person. It is I who become his creditor for the value of the work that I delivered to you, and that I could devote to myself. It is therefore in my hands that the title of this debt, the witness and the proof of the social debt must pass. You cannot say that I am richer, because if I have to receive, it is because I have given. Above all, you cannot say that society is one crown richer, because one of its members has one crown more, since another has one less.

That if you give me this crown for free, in this case, it is certain that I will be all the richer, but you will be all the poorer, and the social fortune, taken as a whole, will not be changed ,
because this fortune, I have already said, consists
of real services, of effective satisfactions, of useful things.

You were the company's creditor, you replaced your rights with me, and it matters little to the company,

— 50 —

who is owed a service, to render it to you or to me.
She pays by returning it to the bearer of the title.

— But if we all had a lot of money, we would all get a lot of services from society. Wouldn't that be very nice?

— You forget that in the order that I have just described, and which is the image of reality, we only withdraw services from the social environment because we have paid them into it. Who says *service*, says both service *received* and *rendered*, because these two terms are implied, so that there must always be a balance. You cannot think of society rendering more services than it receives, and yet this is the chimera that we pursue by means of the multiplication of crowns, the alteration of currencies, paper-currency, etc.

— All this seems quite reasonable *in theory*, but, in practice, I cannot get out of my head, when I see how things are happening, that if, by a happy miracle, the number of crowns were to multiply, so that each of us saw our little supply doubled, we would all be more comfortable; we would all make more purchases, and the industry would receive a powerful encouragement.

No more shopping! But buy what? Without a doubt

useful objects, things capable of providing effective satisfaction, food, fabrics, houses, books, paintings.

You should therefore begin by proving that all these things are generated by themselves, simply by the fact that ingots falling from the moon are melted at the Mint, or that ingots falling from the moon are set in motion at the Printing House. national the board of assignats; because you cannot reasonably think that if the quantity of wheat, of cloth, of ships, of hats, of shoes remains the same, the share of each could be greater, because we will all present ourselves on the market with a greater quantity of metallic or fictitious francs. Remember our players. In the social order, useful things are what the workers themselves put under the candlestick, and the coins that circulate from hand to hand are the tokens. If you multiply the francs, without multiplying the useful things, it will only result that more francs will be needed for each exchange, just as the players needed more chips for each bet. You have proof of this in what is happening to gold, silver and copper. Why does the same barter require more copper than silver, more silver than gold? Isn't it because these metals are widespread around the world in varying proportions? What reason do you have to believe that if gold suddenly became as abundant as silver,

— 52 —

you wouldn't need as much of one as the other to buy a House ?

—You may be right, but I want you to be wrong.

In the midst of the suffering that surrounds us, so cruel in itself, so dangerous in its consequences, I found some consolation in thinking that there was an easy way to make all members of society happy.

— Even if gold and silver were wealth, it is already not so easy to increase their mass in a country deprived of mines.

— No, but it is easy to substitute something else. I agree with you that gold and silver provide little service other than as instruments of exchange. As much in fact as paper money, bank notes, etc. If we all had a lot of this money, so easy to create, we could all buy a lot, we would not lack anything. Your cruel theory dissipates hopes, illusions, if you like, the principle of which is certainly very philanthropic.

— Yes, like all the sterile wishes that one can form for universal happiness. The extreme ease of the means you invoke is enough to demonstrate its inanity. Do you believe that if it were enough to print banknotes so that we could all satisfy our needs, our tastes, our desires, humanity would have gotten this far without resorting to

- 53 -

by this means? I agree with you that the discovery is attractive. It would immediately banish from the world, not only spoliation in its so diverse and deplorable forms, but work itself, except that of printing assignats. It remains to be understood how the assignats would buy houses that no one would have built, wheat that no one would have cultivated, fabrics that no one would have taken the trouble to weave.

— One thing strikes me in your argument. According to you yourself, if there is no gain, there is no loss either in multiplying the instrument of exchange, as we see by the example of your players, who were left with a very benign disappointment. So why reject the philosopher's stone, which would finally teach us the secret of changing stones into gold, and, in the meantime, paper money! Are you so stubborn in your logic that you refuse a risk-free experiment? If you are wrong, you deprive the nation, according to your many adversaries, of an immense benefit. If the error is on their side, it is for the people, according to you yourself, only a disappointed hope. The measure, excellent according to them, is neutral according to you. So let it be tried, since the worst that can happen is not the realization of an evil, but the non-realization of a good.

— First of all, it is already a great evil, for a

- 54 -

people, only a disappointed hope. It is another thing for the government to announce the remission of several taxes on the basis of a resource which must inevitably disappear. However, your remark would have force if, after the issue of paper money and its depreciation, the balance of values was achieved instantly, with perfect simultaneity, in all things and on all points of the territory. The measure would result, as in my gaming room, in a universal mystification, the best of which would be to laugh while looking at each other. But that's not how things happen. The experience has been made, and each time despots have altered the currency...

— Who is proposing to alter currencies?

— Eh, my God! force people to take payment for scraps of paper that we officially have

baptized *francs*, or force them to receive as weighing five grams a silver coin which weighs only two and a half, but which has also been officially called *franc*, it's all one, if not worse; and all

the arguments that can be made in favor of assignats have been made in favor of false legal tender. Certainly, by placing oneself at the point of view where you were just now, and where you still appear to be,

when it was believed that to multiply the instrument of exchange was to multiply the exchanges themselves, as well as the things exchanged,

— 55 —

we must have thought in good faith that the simplest way was to split the crowns and to legislatively give to the halves the denomination and value of the whole. Well ! In

in either case, depreciation is infallible. I think I told you the cause. What remains for me to show you is that this depreciation, which, for paper, can go as far as zero, takes place by successively making dupes including the poor, the simple people, the workers, the country people occupy the first rank.

- I listen; but abbreviate. The dose of political economy is a little strong for once.

- Either. We are therefore well established on this point, that wealth is the set of useful things that we produce through work, or better still, the results of all the efforts that we make to satisfy our needs and our needs. tastes. These useful things are exchanged for each other, according to the convenience of those to whom they belong. There are two forms of these transactions: one is called *barter*; it is the one where we render a service to immediately receive an equivalent service. In this form, transactions would be extremely limited. In order for them to multiply, to be accomplished across time and space, between unknown people and in infinite fractions, the intervention of an intermediary agent was necessary;

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it's the currency. It gives rise to exchange, which is nothing other than a complex barter. This is what must be noticed and understood. *The exchange* is broken down into two *barters*, into two factors, *sale* and *purchase*, the union of which is necessary to constitute it. You *sell* a service for an ecu, then, with this ecu, *buy* a service *from US*. It is only then that the barter is complete; it was only then that your effort was followed by real satisfaction. Obviously you don't work at

satisfy the needs of others only so that others work to satisfy yours. As long as you only have in your hands the Living that was given to you for your work, you are only able to claim the work of another person. And it is when you have done it that economic evolution will be accomplished for you, since only then will you have obtained, through real satisfaction, the true reward for your trouble.

The idea of *barter* implies a service rendered and a service received, why should it not be the same for that of exchange, which is only a double-entry barter?

And here there are two remarks to be made: first, it is a rather insignificant circumstance whether there is much or little cash in the world. If there are a lot, you need a lot, if there are a few, you need a little for each transaction; that is all. The second observation is this: as

- 37 -

we always see money reappear in each exchange, we have ended up looking at it as the *sign* and *measure* of the things exchanged.

— Will you still deny that cash is the *sign* of useful things you talk about?

— A louis is no more the sign of a sack of wheat than a sack of wheat is the sign of a louis.

—What is wrong with considering money as a sign of wealth?

— There is this disadvantage, that we believe that it is enough to increase the sign to increase the things signified, and we fall into all the false measures that you yourself took when I made you absolute king. We go further. Just as we see in money the sign of wealth, we also see in paper money the sign of money, and we conclude that there is a very easy and very simple way of provide everyone with the sweets of fortune.

— But you will certainly not go so far as to deny that the currency is the *measure* of values?

— Yes, of course, I will go that far, because that is precisely where the illusion lies.

It has become customary to relate the value of all things to that of cash. We say: this *is worth* 5, 40, 20 fr., as we say: this *weighs* 5, 10, 20 grams, this *measures* 5, 10, 20 meters, this land contains 5, 10, 20 ares, etc., and there we concluded that money was the *measure* of values.

— 58 —

— Morbleu, that's just the appearance.

— Yes, the appearance, and that's what I complain about, but not the reality. A measure of length, capacity, gravity, surface area is an *agreed* and immutable quantity. It is not the same with the value of gold and

money. It varies just as well as that of wheat, wine, cloth, work, and by the same causes, because it has the same source and is subject to the same laws. Gold is placed
our reach absolutely like iron, through the work of miners, the advances of capitalists, the assistance of sailors and merchants. It is worth more or less depending on whether it costs more or less to produce, whether there is more or less of it on the market, whether it is more or less sought after; in a word, it undergoes, as regards its fluctuations, the destiny of all human productions. But here is something strange and which causes many illusions. When the value of cash varies, it is to the other products against which it is exchanged that language attributes the variation. So, I suppose that all the circumstances relating to gold remain the same, and that the wheat crop is carried away. The wheat will rise; we will say: The hectoliter of wheat which was worth 20 fr. is worth 50, and we will be right, because it is indeed the value of the wheat which has varied, and the language here agrees with the fact. But let us make the opposite supposition: suppose that all the circumstances relating to wheat remain the same, and that half of all the gold existing in the world is swallowed up;

— 59 —

this time, it is the value of gold which will rise. It seems that we should say: This Napoleon who was *worth* 20 fr. is *worth* 40. Now, do you know how we express ourselves? As if it was the other term of comparison which had fallen, and we say: The wheat which was *worth* 20 fr. only *worth* ten.

— It amounts to exactly the same thing, as far as the result is concerned.

- Without a doubt; but imagine all the disturbances, all the deceptions that must occur in exchanges, when the value of the intermediary varies, without being notified by a change of name. Altered coins or notes are issued which bear the name of *twenty francs*, and will retain this name through all subsequent depreciations. The value will be reduced by a quarter, by a half, that they will no less be called *coins*

or *twenty franc notes*. Clever people will take care to only deliver their products against a larger number of notes. In other words, they will ask for forty francs of what they formerly sold for twenty. But the simple will fall for it. It will be many years before evolution is accomplished for all values. Under the influence of ignorance and custom, the day of the laborer in our countryside will remain for a long time at *one franc*, when the market price of all consumer items will have risen around him. He will fall into a

terrible misery,

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without being able to discern the cause. Finally, sir, since you want me to finish, I ask you, in closing, to focus your full attention on this essential point. Once counterfeit money, whatever form it takes, is put into circulation, depreciation must occur, and is manifested by the universal rise in everything that is likely to be sold.

But this increase is not instantaneous and equal for all things. The clever, the second-hand dealers, the business people do quite well; because it is their job to observe price fluctuations, to recognize their cause, and even to speculate on them. But the small merchants, the country people, the workers, receive all the shock. The rich are not richer, the poor become poorer. Expedients of this kind therefore have the effect of increasing the distance which separates opulence from poverty, of paralyzing the social tendencies which continually bring men closer to the same level, and it then takes centuries for the suffering classes to regain the ground they lost in their march towards *legality of conditions*.

— Farewell, sir; I leave you to go and meditate on the dissertation to which you have just devoted yourself with so much complacency.

— Are you already at the end of yours? I've barely started. I have not yet spoken to you about the *hatred of capital, of free credit*; feeling

— 61 —

disastrous, deplorable error, which feed from the same source!

- What ! This frightening uprising of the Proletarians against the Capitalists also comes from confusing Money with Wealth?

— It is the fruit of various causes. Unfortunately, certain capitalists have arrogated to themselves monopolies, privileges, which would be enough to explain this feeling. But when the theorists of demagoguery wanted to justify it, systematize it, give it the appearance of a reasoned opinion, and turn it against the very nature of capital, they had recourse to this false political economy at the bottom of which we always find the same confusion. They said to the people: Take a crown, put it under glass; forget it — there for a year; Then go look, and you will convince yourself that he did not generate ten sous, nor five sous, nor any fraction of a penny. So the money does not produce interest. » Then, substituting for the word *money*

its supposed synonym, *capital*, they made their *ergo* undergo this modification: "Therefore capital does not produce interest. » Then came the series of consequences: "So, he who lends capital must not get anything out of it; therefore, whoever lends it capital, if he rereads anything of it, robs you; therefore, all capitalists are thieves; therefore, the riches intended to serve gratuitously those who borrow them actually belong to those to whom they do not belong; therefore, there is no

— 62 —

of properties; therefore, everything is for everyone; SO....

— This is serious, all the more serious since the syllogism, I admit, seems to me admirably linked. I would like to clarify the question. But unfortunately ! I am no longer in control of my attention. I feel in my head a confused buzz of the words *cash, money, services, capital, interest*; It's to the point that, really, I no longer recognize myself in it. Please postpone the interview for another day.

— In the meantime, here is a small volume entitled *Capital and Rent*. Perhaps it will dissipate some of them. of your doubts. Take a look when you're bored.

— To relieve myself of boredom?

- Who knows? One nail drives out another ; one trouble chases away another trouble: *similia similibus...*

— I cannot decide whether you see the functions of money and political economy in general in their true light. But, from your conversation, I am left with this: these questions are of the greatest importance; because, peace or war, order or anarchy, the union or antagonism of citizens are the end of the solution. How is it that in France we know so little about a science which affects us all so closely, and whose dissemination would have such a decisive influence on the fate of humanity? Could it be that the State doesn't teach her enough?

— Not precisely. This is because, without knowing it, he applies himself with infinite care to saturate all

- 65 -

the brains of prejudice and all the hearts of feelings favorable to the spirit of anarchy, war and hatred. So that, when a doctrine of order, peace and union presents itself, although it may have clarity and truth on its side, it finds its place taken.

— Clearly, you are a terrible pessimist. What interest can the State have in distorting intelligence for the benefit of revolutions, civil and foreign wars? There is certainly some exaggeration in what you say.

— Judge for yourself. At the time when our intellectual faculties begin to develop, at the age when impressions are so vivid, when the habits of the mind are contracted with such great ease; when we could take a look at our society and understand it, in a word, when we arrive at seven or eight years old, what does the State do? He puts a blindfold over our eyes, gently takes us out of the social environment that surrounds us, to plunge us with our quick mind, our impressionable heart, into the bosom of Roman society. It keeps us there for around ten years, all the time necessary to give our brain an indelible imprint. Now, notice that Roman society is the direct opposite of what our society is or should be. There, we lived on war; here we should hate war. There, people hated work; here we have to live from

— 62 —

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— 64 —

work. There, the means of subsistence were based on slavery and plunder; here, on free industry. Roman society was organized accordingly to its principle. She had to admire what made her thrive. What we here call vices should be called virtues. Its poets, its historians had to exalt what here we must despise. The very words: *liberty, order, justice, people, honor, influence, etc.*, could not have the same meaning in Rome as they have, or should have in Paris.

How can you expect all this youth, who are leaving university or monastic schools, who have had Livy and Quintus Curtius as their catechism, not to understand freedom like the Greeks, virtue like Cato, patriotism like Caesar? How do you expect her not to be factious and warlike? How do you expect her to take the slightest interest in the mechanism?

of our social order? Do you believe that his mind is well prepared to understand it? Don't you see that she would have to, for that, get rid of her impressions in order to receive completely opposite ones!

— What do you conclude from this?

— Here it is: the most urgent thing is not that the State teaches, but that it allows teaching. All monopolies are detestable, but the worst of all is the monopoly of education.

END.



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