

THE SOCIETY OF TO- MORROW · A FORECAST OF ITS POLITICAL AND ECONOMIC ORGANISATION †

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TRANSLATED BY P. H. LEE WARNER
WITH A LETTER TO THE PUBLISHER
FROM FRÉDÉRIC PASSY AND AN IN-
TRODUCTION BY HODGSON PRATT



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CHAPTER III

FREE CONSTITUTION OF GOVERNMENTS AND THEIR NATURAL FUNCTIONS

WE have seen that political sovereignty grew out of the right of property. Warlike societies seized a territory and its inhabitants for the purpose of founding a political State. The conquerors, become owners, used the lives and property of subjects according to their absolute will. To maintain States against the pressure of political and armed competition it was necessary to concentrate the rights of sovereignty. They became hereditary in the family of a chief, who might justifiably have used the words of Louis XIV., "*l'Etat c'est moi!*" This chief might grant his subjects certain rights, such as the rights of labour, exchange, and testamentary disposition; also certain guarantees of property and liberty. But permissions of this kind were entirely voluntary; he retained his owner's right

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of resumption. Moreover, he maintained absolute claims on life, liberty, and property to be used as, and whenever, required for the maintenance and welfare of the State. This supreme power—an attribute of sovereignty—has passed to the modern State, whose citizens delegate its exercise to government. Its original justification was the destruction, or dispossession, with which political and warlike competition continually menaced the proprietary association in each State. Conquest, to-day, implies little more than a nominal change of allegiance, and the damages which it inflicts are rather moral than material. But the right survives, though in a contracted form, and it will continue to exist while the nations are compelled to rely upon war as their sole guarantee against aggression, or the sole means of enforcing what each claims to be justice in cases of dispute.

But if security and rights are no longer weakened because a collective guarantee replaces the guarantee which each nation provided for itself, as the national assurance of protection has replaced the system of individual self-defence, the position is at once reversed, war ceases, and with it all need for that unlimited right of requisition over life, liberty, and property, which is the

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inevitable attribute of a government charged with maintaining national liberties during a State of War. Under the new order, the charges and services which the requirements of national security demand of the individual, will cease to be uncertain or contingent. They will become capable of valuation and a permanent assessment since they are :—

1. That every citizen shares in a guarantee of the civilised community against barbarian hordes or nations in an inferior state of civilisation, and outside the collective guarantee. But the extraordinary advances in the industries of production and destruction have given civilisation so great a prepotency that risks of this class are insignificant, and 100,000 men can easily maintain the frontiers of the civilised world against all attacks.

2. That every citizen helps to maintain a collective force, which shall be strong enough to execute the verdicts of international justice upon States refusing obedience, or attempting forcibly to maintain a personal estimate of right. A collective guarantee of the peace of nations entails absolute surrender, by each guarantor, of the rights of individual judgment and individual execution of judgment. This surrender was

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long since imposed upon all subjects of a State, as the sole basis of social security, and it is universally observed except by the criminal and the duellist. Criminals break this obligation in blind obedience to the dictates of cupidity, or those other passions which are only capable of satisfaction at the expense of another. Duellists justify their default by denying the sufficiency of a collective justice in the case of certain personal offences. Society is usually content to ignore the duellist while carefully abstaining from any recognition of a claim which is in direct negation to its own; but it pursues the criminal so unceasingly that a numerically inconsiderable force of police is able to guarantee—though more or less imperfectly—individual life and property.

Civilised States could not be treated as criminals, but the instinct for war and a false idea of national honour might place nations in the relative position of duellists. The collective guarantee would intervene, at such a time, to enforce their renunciation of the right of personal justice, and to affirm the State of Peace. Every interposition of this kind would be a new demonstration of the irresistible power of the collective sanction, and the strongest member of the

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association must soon recognise its relative impotence. Then the guarantors may disband their contingent of armed forces, for public opinion will suffice to sanction the decrees of international justice. The guarantee of internal peace and external security will then only require an insignificant and constantly diminishing contribution from the members of the confederated States.

The primacy of national interest over all other claims ceases, at this point, to demand an absolute right of requisition over individual life, property, and liberty, so that it is possible to ascertain the exact and inviolable relation of individual and governmental rights. And we shall see that this adjustment will be fixed and determined by the nature of the public services and the conditions of their production.

Public services are the natural attributes of government, and are of two classes—general and local. General services are within the sphere of government proper; local services belong to provincial and local administrations.

The first duty of government is to ensure internal and external security to nation and citizen alike. Services proper to it differ essentially from those of the private association for

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they are *naturally collective*. Armies secure an entire nation from external aggression, and a police force exists for the equal benefit of all who inhabit the district which it serves. It is therefore no less necessary than just that all consumers of these naturally collective services should contribute to their cost in proportion to the service rendered and the benefit received. The failure of one consumer to bear his quota of the costs of such production reacts on the entire community, who are compelled to bear a proportion of his defalcations over and above their own contribution.

It seems almost superfluous to insist on the essential minority of naturally collective services. A police force serves every inhabitant of the districts in which it acts, but the mere establishment of a bakery does not appease their hunger. Bread, with all other victual, clothes, &c., are articles of naturally individual consumption; social security is an article of naturally collective consumption.

The substitution of a collective guarantee of peace for the individual action of each State must, consequently, restrict the number of functions, which are the natural and essential duty of government, to :—

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A share in the common defensive apparatus protecting the association from external aggression ;

A share in the machinery which guarantees internal peace within the association ;

The provision of internal security within its own State, and the further performance of those services which are naturally and essentially collective.

CHAPTER IV

FREE CONSTITUTION OF GOVERNMENTS AND THEIR NATURAL FUNCTIONS (*continued*)

WE have now to examine the methods and conditions by, and under, which governments maintain international peace and establish internal security. As soon as nations emerge from their subservience to the State of War, and their constituent parts are free to form new groups or to erect autonomous States, the dangers of revolution and civil war, which are the fruit of compulsory union between heterogeneous and incompatible elements, will disappear together with the motives and pretexts previously used to justify appeals for external intervention. The "States Association" will only have to consider disputes and dissensions occurring between members, and it will refer these to tribunals maintained for the purpose. These tribunals

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will apply the same legal rules which govern the trial of actions and causes between individual litigants, and their verdicts will be enforced by the collective sanction of the association. Associated States will thus obtain external security by the best possible means, and at the least possible cost, while each will secure internal security under analogous conditions, and by a collateral system.

In order to be able to guarantee full security of person and property to the consumer, or—in case of damage suffered—a compensation in proportion to his loss, it is necessary that :—

(1) the producer impose certain penalties on those who commit offences against the person, or appropriate the property of others, and the consumer must agree to submit to these penalties, whenever he does a wrong to person or property ;

(2) the producer impose upon the consumer certain restrictions, designed to facilitate discovery of the authors of delicts ;

(3) the producer levy a regular contribution covering his costs of production plus the natural profit of his industry, each assessment to be graduated according to the consumer's position, the particular occupation in which he is en-

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gaged, and the extent, nature, and value, of his property." ¹

It should be added that the consumer renounces his right of judging his own causes, and of executing his own judgments.

The production of internal security, therefore, necessitates a body of law—a *code*—specifying and defining wrongs against the person and property, with the penalties proper to each, and, further, other laws specifying the obligations and charges, which are no less necessary to enable their effective repression.

The execution of the laws, and the conditions accompanying the production of those services which are indispensable to the preservation of all society, further necessitate :—

(1) the institution of a judicial system, primarily adapted to a systematic discovery of the presumptive authors of delicts or crimes against the person or property, of determining guilt and innocence, and, in the case of those proved guilty, of executing the penalties set out in the code ; secondly, it must adjudicate upon actions and causes ;

(2) the institution of a police service entrusted

¹ Extract from "La Production de la Sécurité," *Journal des Economistes*, February 15, 1849 ; also printed in "Les Questions d'Economie Politique et de Droit Public," vol. ii. p. 245.

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with the discovery and pursuit of the authors of delicts and crimes, and, in the second place, with executing the repressive penalties.

These are the constituent parts of an organisation producing internal security, and the conditions necessary to its effective action. A form of this essential organisation is found among the lowest races, but it remains notoriously imperfect even among the most civilised and most highly advanced States. Nor is a cause far to seek while the State of War continues to impose its conditions upon governments, the producers of security.

Invested with the exercise of the sovereign power attaching to the association which owned a conquered territory and its inhabitants, government owed this appropriated population no service—whether of affording security or otherwise—any more than a stock-owner owes a service to his sheep or cattle. Yet there was one difference between sheep or cattle and such a population. Whether appropriated by right of conquest, by hereditary devolution of territorial property, exchange, or purchase, such a population might rise against its masters. Plots might also grow up within the State, aimed at the deposition of the government of the proprietary association.

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Personal security, which it never distinguished from that of the State, commanded this government to make a first duty of precautions against this double peril. The initial step in this direction placed the judiciary and police system in dependence upon government, their first assigned duties being to repress attempts upon its supremacy, to discover the intrigues of rivals, and to supervise the actions, even the words, of malcontent subjects. The second measure of self-protection was to forbid the formation, without governmental sanction, of any association capable of serving as a dissentient or revolutionary centre, to retain control over authorised associations by setting a term to their duration, and to reserve a right of dissolution in every case. But, however constantly and largely preoccupied with personal security, government was compelled to afford some guarantees to individual life and property, since they are the foundation of all industrial progress, and revenue depends upon industry. That these duties were never more than a secondary care, more especially where a government's tenure of power was unstable, can be proved—if proof be needed—by the far greater severity of penalties guaranteeing the persons of those in power and of their agents, when com-

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pared with sanctions of the life and property of a citizen.

Fundamental changes might have been expected where the nations ceased to be owned by an association or a sovereign house. Governments, instituted or accepted by a nation—now self-owned — owed their nation those services for which it undertook the necessary charges and obligations. The government was, further, under obligation to increase the efficiency, and to reduce the cost, of those services. But a persistent State of War still compelled governments to value the security of the nation above that of the individual. The States continued to make advances in the industries of production and destruction, and, as each was a possible future combatant, the cost of national security rose continually. Under the new system, also, competition for the sovereign power was increased, and, while possession became more and more precarious, eager competitors were less scrupulous in the choice of means to attain it. Government, increasingly occupied with the problems of self-protection, relegated the protection of the subject to a still more secondary position. Finally, men who obtained power, or maintained it, by strictly legal means, were incessantly compelled to enlarge what may be termed

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the "political salaries fund," that is to say, the number of officials, and consequently the functions of the State. Ever occupied with the problem of national security, still more with the maintenance of their own power, further charged with a multiplicity of incongruous functions, modern governments can with difficulty fulfil their task. This is the real explanation of the grossly inadequate performance of their first duty—protection of the life and property of the individual.

But if a State of Peace were to succeed the State of War, if a collective guarantee secured the external security of nations; if, in consequence, nationality were the subject of free choice, and the sphere of governments limited to their natural attributions, competition would influence the production of this most essential service with results which must, to-day, appear chimerical. The first question to be solved on that day will be: "Is it more profitable for nations to produce their own security, or to contract for its production with a 'firm,' or company, possessing the necessary resources for, and the technical skill essential to, production of this kind?" Experience has long since demonstrated the economical inferiority of production by a monopolist governmental department. It is therefore probable that nations will

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prefer to contract, whether through agents or otherwise, with the "firm," or company, offering the most advantageous conditions for, and the most certain guarantees of, the supply of this article, which is one of naturally collective consumption.

Theoretically, at least, these conditions will only differ in one point from those of the present system, but this point is essential. The assurer must indemnify the assured—if attacked in life or property—in proportion to the damages suffered, without regard to the issue of any attempted recovery against the actual authors of the wrong.

Nor will such a system of indemnification be altogether new, since existing laws recognise a right to indemnity where a man has suffered in a riot. Civilised States assert the same principle in their claims for an indemnity to one of their subjects who has been injured, or to his family if he has been murdered, in the territory of an inferior power, or a power reputed inferior, although they are careful to refuse similar claims against themselves. The importance of this principle will be apparent when we consider how supremely effective it must be in inducing governments to perfect their machinery for discovering and repressing attacks on individual life and property.

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The conditions regulating the cost of security must differ in every country according to the prevalent standards of morality and civilisation, and similar differences in the obstacles to repressing crime. The assurer and the body of the assured will be jointly interested in maintaining an impartial and enlightened judiciary for adjudicating on crimes and delicts. Adam Smith has long since shown how competition solves this problem, and there can be little doubt that competition between fully independent judicial "companies" will hereafter repeat the same solution.¹

¹ "The fees of court," says Adam Smith ("Wealth of Nations," Book V., chap. i., part 2), "seem originally to have been the principal support of the different courts of justice in England. Each court endeavoured to draw to itself as much business as it could, and was, on that account, willing to take cognisance of many suits which were not originally intended to fall under its jurisdiction. The Court of King's Bench, instituted for the trial of criminal causes only, took cognisance of civil suits; the plaintiff pretending that the defendant, in not doing him justice, had been guilty of some trespass or misdemeanour. The Court of Exchequer, instituted for the levying of the King's revenue, and for the enforcing payment of such debts only as were due to the King, took cognisance of all other contract debts; the plaintiff alleging that he could not pay the King, because the defendant would not pay him. In consequence of such fictions, it came, in many cases, to depend altogether upon the parties, before what court they would choose to have

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their case tried ; and each court endeavoured, by superior dispatch and impartiality, to draw to itself as many causes as it could. The present admirable constitution of the courts of justice in England was perhaps originally, in great measure, formed by this emulation, which anciently took place between their respective judges ; each judge endeavouring to give, in his own court, the speediest and most effectual remedy which the law would admit, for every sort of injustice."

CHAPTER V

FREE CONSTITUTION OF GOVERNMENTS AND THEIR NATURAL FUNCTIONS (*continued*)

GOVERNMENTS, possessed, under the old system, of an unlimited power over the goods and persons of the subject, were naturally tempted to abuse this power for their own immediate advantage, or for that of the political and warlike society whose mandate they held. These motives might lead them to make large increases in the charges and obligations of the subject masses, but never to annex those industries which supported that body and consequently themselves. This was a natural consequence of the self-imposed limitation which confined the oligarchical owners of the State to the functions of government, military or civil. Their body had no motive for appropriating industrial occupations, at that period of human development both reputedly and actually inferior, but influenced government solely for the purpose

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of inducing armed acquisition of new territories and new subjects, consequently of increasing its peculiar spheres of activity. Hence governments of the old order seldom trespassed on the domain of private enterprise. If they did reserve a monopoly in certain classes of production—in the mintage of money, the manufacture of salt or tobacco—it was from purely fiscal considerations. Even these monopolies were not exercised directly, but farmed, with most other taxes, experience showing that a “farm” gave better returns than direct governmental monopolies.

The advance of production and trade consequent on extended security has changed this by erecting a numerous and powerful middle class, which claims a share in government, and has even obtained paramount influence in the more advanced States. The rivals for political office are chiefly recruited among the members of this class, and it has been observed that such of the old proprietary oligarchies as maintain a preponderance in their States, and continue to supply a majority in the personnel of the political, military, and administrative services, tend to a similar modification of interests, and to identify their cause with that of this middle class. The reason

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for this revolution is that progress which has reduced the emoluments of the proprietary class by enlarging the costs of war, reducing its frequency, and curtailing its profits. This loss compelled the class to seek compensation by increasing the returns derivable from landed property, and by undertaking functions hitherto despised. Political parties, containing members of both classes, could only obtain, and maintain, power by serving the actual or supposed interests of their constituents. The landed and industrial vote was purchased by protection and subvention—bounties—or by the provision of civil and military offices for such of its younger members as lacked the necessary character or energy to create a position for themselves. This is the explanation of those enormous and ever-increasing burdens with which militaryism, policy, and protection overwhelm the masses whose labour provides their cost.

If we now attempt to estimate the burden occasioned by the degree to which government has abused its unlimited power over individual life and property for the benefit of those classes on which it depends, an analysis of the budgets of most civilised States yields the startling fact that the two services of the army and the public

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debt absorb two-thirds of the entire revenue. A State of War does, doubtless, necessitate individual insurance against external aggressions, but the consequent premium seems altogether disproportionate to the risks assured. There can be small doubt that the enormous strength of European armies is due to the advantageous careers offered by the service to sons of influential aristocratic and middle-class families, or that the majority of the wars which have wasted the world for no good purpose during the past century were not undertaken at the mandate of the masses. Yet, willing or unwilling, it is they who furnish the necessary blood and treasure. Nor is this the only account. Society is heavily taxed in the increased costs which follow governmental appropriation of products and services naturally belonging to the sphere of private enterprise, such as posts, telephones, telegraphs, and railways. Add to this the price of a policy protecting the rents of the landed interest or the dividends of the investor and business element, and it is a fair calculation that the governmental bill of costs, direct and indirect, absorbs at least half the income of those masses who depend upon the wage of daily toil. The serf owed his lord three days' labour in seven ; modern governments, and their privileged

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dependents, require an equivalent amount, but the value of the services rendered in return is barely equal to the labour of one half-day.

Each step in the eternal march of international rivalry increases pressure upon every part of the world's markets, and with it the urgent need of setting a term to the resultant rise in costs. Nations must either succumb and perish, or there must be a general agreement to replace the present system of expansion by one which will reduce the attributions of the State. Government must confine itself to the naturally collective functions of providing external and internal security. These services, the sphere of government proper, connect with those which attach to provincial and local systems. Like the central government, and impelled by identical considerations, local administration continually enlarges its attributes by trespass on the domain of private enterprise, and local budgets add their burdens to that of the State. These administrations do not possess unlimited rights over the goods and persons of the individual, but, with no precise definition of powers, their claims are solely, and never more than partially, restrained by the veto of the central system which maintains them in various degrees of dependence. This veto is not put in motion

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until a central government considers that its rights have been actually infringed, and what may be called "local autonomy" is the latitude enjoyed by local administrations in limiting the freedom, and taxing the property, of the individual. The actual duties thus appertaining to local systems are by no means numerous. They include little more than a small number of naturally collective services, building and maintaining sewers, paving, lighting, scavenging, &c. Police systems are, properly, a part of the central machine. Yet, minor as are these local services, it cannot be doubted that, in common with the great departmental undertakings of the central government, they could be better and more economically performed by the employment of a private, specialised agency.¹

¹ Compare "Les Lois Naturelles de l'Economie Politique," chap. xiv : La Constitution Naturelle des Gouvernements ; la Commune, la Province, l'Etat.

CHAPTER VI

SUBJECTION AND SOVEREIGNTY OF THE INDIVIDUAL

WE have seen that subjection of the weak by the strong is an inseparable consequence of the State of War, since only the stimulus of proprietary right can change the strong man's interest in his weaker competitors from that of a spoiler and destroyer to one of protection. Thanks to many moral and material advances, and a whole series of transitions, the servant, serf, or slave became his own proprietor. But, although freed from the domination of a master, he remained member of a community or nation, and consequently subject to the power erected by this community or nation for its better preservation from the risks of destruction or subjection, which are consequences of a State of War. This power was, for these purposes, invested with an unlimited right of disposition over the lives and goods of

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all members—a subjection effectively negating the sovereignty of the individual. However seriously he might be declared sovereign master of himself, his goods and life, the individual was still controlled by a power invested with rights which took precedence of his own. Hence, emerging from bondage to become member of a reputedly free nation, he soon began to devise means of defence against abuse on the part of those who controlled this right. Agents, bearing his mandate, proved incapable of restraining that abuse. Then the nations rose against the proprietary oligarchies in the State, seized this right, and entrusted its exercise to officers of their own. But all in vain. Abuses reappeared, and not only in States maintaining the old system of an hereditary chief, who monopolises the sovereign powers of the oligarchy of which he is head. They appeared, also, in those States where the governmental right of unrestricted disposition over the life and property of citizens was entrusted to the direct agents of those citizens. The sole possible remedy—to curtail this subjection with its priority of claims over those of the sovereignty of the individual, is incompatible with a State of War. The abuse must continue with the continuance of that

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state, since the power charged with ensuring nations against unlimited risks must itself be invested with a correspondingly unlimited right of disposition over the lives and property of all citizens.

But the situation changes at once when we substitute a State of Peace for the State of War, and sanction the liberty of each State by the collective guarantee of the association. The coercive power of such a guarantee might not suffice to end all wars, but it must reduce risks of aggression within bounds assurable at a nominal premium. Nor could it, any longer, justify that absolute subjection of the sovereignty of the individual, which is inseparable from present conditions. A State of Peace would reduce this subjection to the single obligation of a minimum premium, payable on behalf of the collective assurance of the nations, and continually reducible until abolished by the extension of civilisation.

The sovereignty of the individual will—to conclude—be the basis of the political system of the future community. This sovereignty no longer belongs to the associated owners of a territory and its inhabitants, slave or subject; nor to an idealised entity inheriting from the

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political establishment of its predecessor, and invested with his unrestricted claims upon the life and property of the individual. It will belong to the individual himself, no more a subject but proper master and sovereign of his person, free to labour, to exchange the products of his labour; to lend, give, devise, do all things as his will directs him. He will dispose, as he pleases, of the forces and materials which minister to his physical, intellectual, and moral needs. But the very nature of certain of these needs—so essential is security to the human race—cannot be satisfied by individual action. Individual consumers of security must therefore associate to produce this service in an efficient and economical manner. Their association will treat, through agents and in market overt, with an undertaker—be it a “firm” or “company”—possessing the capital and knowledge necessary for the production of this service of assurance. Like any other system of insurance, that of individual life, liberty, and property, is subject to two conditions. The first condition is one of price; a premium must be paid, equal in amount to the costs of production plus a profit. The second condition is technical. The party insured must submit to such obligations as are

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indispensable to producing the service assured. These conditions are matter for bargain between agents of the associated consumers and those of the company undertaking risks of the particular class, and a contract, terminable as it may suit the parties to agree, will embody the conditions when arranged.

Similar contracts will supply other naturally collective needs, such as communications, public health, &c. A small association in need of these services will make a direct contract with the undertakers of the service desired ; large associations will contract through their elected representatives. In these several cases the individual exercises his sovereignty collectively, whether through representatives or by direct treaty. But he will minister to the majority of his needs by direct personal effort.

The duty of representatives (agents) is to conclude a contract, and the conclusion of that contract exhausts their mandate. They may, notwithstanding, be called upon to oversee the execution of such contracts, or to modify their terms should experience discover faults or lacunæ in their form, or should new facts involve some change in the conditions under which their mandatories live. Associated consumers of

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collective services may, also, find reason to execute a permanent delegation. But supervision of the clauses in a contract may be sufficiently guaranteed by the action of the public press, or other free association specifically formed for that purpose ; or the clauses may not stand in need of modification. Official representatives of the consumers would be unnecessary in this case, and the nation can economise by dealing direct.

It appears probable that all naturally collective services will be produced by an association (company) having the usual business organisation and system. A manager will be charged with executing the decisions of the Board of Directors, or of the General Meetings, to which he will render public account for his actions. This will be the economic solution of the problems of establishing and maintaining the services of a State, when the collective guarantee of the nations assures a State of Peace.