

PROUDHON AND ECONOMIC FEDERALISM

Pierre Joseph Proudhon, French economist and political theorist, was a spirit apart. He was personally acquainted with but few of the notable men of his age. It is a plaintive strain in his correspondence when he writes in 1857 that he has not known Guizot, Thiers, Barrot, Royer-Collard, Lamartine, Lamennais, and others, and that the men whom he has met—Leroux, Blanc, and Considerant—he has been compelled to oppose. To be sure he was a member of the Constituent Assembly of 1848, but he seems to have had no following. On one occasion he aroused violent opposition by submitting a project of law on an income tax which was repulsed as an odious attack on the principles of public morality, a violation of the rights of property, an encouragement to denunciation, and an appeal to the worst passions. On another occasion he put his colleagues to sleep by a long and dry disquisition. So that between opposition and indifference Proudhon was left to his own counsels. To be sure his advice was sought on several occasions by workingmen, as in 1864, when the Sixty sent out a manifesto proposing the participation of labor in politics. Proudhon set himself stoutly against the proposal, not without effect. Toward the end of his life he contemplated forming a Federalist party; but he was not a facile politician—a man of action. He was a thinker.

Proudhon began to write in an era of immense industrial and commercial expansion. The reign of Louis-Philippe (1830-48) marked a period of almost unparalleled material prosperity. Rapidly machinery began to displace hand labor; schemes to build railroads and to cut canals were in the air; large aggregations of capital (for that day) were formed to carry on projects too vast for individuals. Louis Blanc speaks of a "feverish industrialism" seizing the country in 1838. During the reign of Louis-Philippe three expositions marked the progress of

industry and commerce—in 1834, in 1839, and in 1844. In the realm of achievement, as well as of ideas, the seed sown by Saint-Simon and the Saint-Simonians had taken root. Economic forces were striving to master the world, and with a good chance of success. Bankers were kings; capitalists were lords of creation.

But with all this feverish economic activity the industrial and social relations were in chaos. No principle of organization had been discovered, although the world was full of utopias. Matters grew worse with time. Political reform was tried in 1848, but without success. Universal suffrage had done no better than to elevate Louis Napoleon to a throne of empire. That was a failure. Proudhon was just then coming into the full maturity of his powers, and into this maelstrom of conflicting theories and forces he threw himself with the abandon of a John the Baptist. He was called a demolisher; and he was, for with hammers he would break down the sacred carved work. Like the forerunner, John the Baptist, he would call men to sober reflection by startling them out of their smug complacency. He represented a spirit of denial and contradiction; but out of it all he brought a new synthesis which he hoped would restore order and establish morality once again: it was the principle of mutuality.

Proudhon's system of economic and political thought evolves out of his conception of economic forces. These principles of action are division of labor, competition, collective force, application of machinery to industry, exchange, credit, property, reciprocity, association, and the greatest and most sacred of all, that which fuses into one all the others—mutuality. The supreme problem, to Proudhon's mind, was to re-establish equilibrium among the economic forces; if that could be done and these forces submitted to their own laws, which do not depend upon the arbitrary will of man, labor could then be organized for the well-being of all. On the contrary, if they were left to act without direction and without counterweights, labor was doomed to remain chaotic. The latter appeared to Proudhon to be the state of affairs about 1851. All the revolu-

tions and all the utopias had not succeeded in organizing the social system. The Revolution of 1789 abolished feudality, he pointed out, but it did nothing to organize economic forces. It was a work of negation. Politics had taken precedence over economics: Rousseau and Montesquieu had been heeded to the neglect of Quesnay and Adam Smith. But theories of great political thinkers, crystallized into projects for social reform, after the manner of Saint-Simon, Fourier, Owen, Cabet, Pierre Leroux, or Louis Blanc, were not sufficient, according to Proudhon, to establish equilibrium among the economic forces. Something more was needful.

Proudhon envisages two possibilities of order: one political and the other economic. Political power, in his theory, is primarily that of authority borrowed from the idea of the family, but which cannot be extended legitimately to the commune and the nation. All attempts to soften authority and make it more liberal, tolerant, and social, such as the doctrine of the sovereignty of the people, had failed. In his estimation, sovereignty of the people was a dogma—a utopia; authority was essentially despotic—one with revelation from above. Authority in the state and faith in the church, Proudhon linked as parts of the same system, and essentially of *Droit Divin*. “Être gouverné, c’est être gardé à vue, inspecté, espionné, dirigé, légiféré, réglementé, parqué, endoctriné, prêché, contrôlé, estimé, apprécié, censuré, commandé par des êtres qui n’ont ni le titre, ni la science, ni la vertu. . . .”¹ For half a page more Proudhon continues with a perfect fusillade against the tyranny of government. It is the tirade of an anarchist, but motivated, not so much by a personal dislike for governmental control (although Proudhon had cause for such personal dislike), as from a conviction that authority was powerless to organize economic forces, and being powerless it tends to become pestiferous and despotic. His indignation against government is that of a social philosopher who thinks he sees a better way, and not at all that of a crouching bomb-thrower blinded by hatred. Proudhon was an anarchist, but his anarchism was “organic” rather than individualistic.

¹ *Idée générale de la révolution au XIX siècle* (Paris, 1851), p. 341.

Over against the political system of maintaining order, Proudhon would construct an economic system. In place of the hierarchy of political powers, he would set up an organization of economic forces. For laws, he would substitute contracts, not voted by either majority or minority, but by each citizen, each commune, or each corporation for itself. For classes of society—nobility, bourgeoisie, and proletariat—he would substitute categories and specialities of function, as agriculture, industry, commerce, etc. For public force, he would substitute collective force. Industrial companies would take the place of permanent armies; identity of interests would take the place of police. Economic centralization would replace political centralization. This would be the new régime based upon the spontaneous practice of industry, in accord with social and individual reason—it is *Droit Humain*. It would mean, according to Proudhon, identity of interests, cessation of antagonisms, universality of well-being, the sovereignty of reason, and the absolute liberty of man and the citizen.¹ There would be an absence of all constraint, of all police, authority, magistracy, regulation—it is the ideal of human government according to anarchism. It would be society without government, or, to be more precise, society with self-government based upon the idea of contract. It is the principle of commerce carried over into the sphere of social control. It is mutuality or *mutuum*—a natural exchange which effects a synthesis of private property and communism.

Unquestionably Proudhon's construction lacks definiteness. It replaces institutions by principles or interests, as, for instance, police by an identity of interests. To be sure his bank of exchange might have supplied a part of the void made by a sweeping destruction of institutions; but at best the system is an ideal construction. It is based upon the assumption that, if economic relations were properly ordered, society could dispense with political control. From this point of view government appears as an unnecessary evil: it actually interferes with a proper equilibrium of economic forces. Such was Proudhon's

¹ *Idee générale de la révolution au XIX siècle* (Paris, 1851), pp. 281-84.

ideal: society based upon free contract. It is the logical conclusion from his negation of authority, but it was only a mountain-top of vision and hope; it could not endure indefinitely. He must descend. And in 1861 he introduces the principle of federalism which supplies a positive foundation for social control. But, like Plato, he never lost sight entirely of the more perfect state. Although centuries must needs elapse, he thought, before society would be ripe for anarchy, it was a duty to follow in that direction and to approach without ceasing that goal; and in that faith he committed himself to federalism.

The principle of federalism was suggested to Proudhon's mind in 1861 by the possibility of a strong, united Italy at the very door of France. He acknowledged in 1863 that being engrossed with other studies he might not have raised the banner of federalism had it not been for that unfortunate question of Italy. Thus, in an important sense, the inspiration of the new doctrine was practical and political. The defense of France was the immediate reason he wished federalism for Italy. But the new doctrine supplies a positive construction that his social philosophy had lacked up to that time. It is an admission of the principle of political authority. In fact, the essence of federalism to Proudhon's mind, is its reconciliation of liberty and authority. This consummation is achieved by the principle of contract. Federation is "a convention by which one or several heads of family, one or several communes, one or several groups of communes or states oblige themselves reciprocally and equally the one toward the others for one or several particular objects, the burden of which rests specially and exclusively upon the members of the federation."¹ Federation is, therefore, nothing but political contract, at least from the point of view of public law.

Does the addition of a federative principle divide Proudhon's thought into two distinct periods, the one characterized by *an-archie*, the other by federation? Proudhon himself would seem to lend color to that hypothesis in a letter written November 2, 1862, in which he says: ". . . if in 1840 I made my

¹ *Principe fédératif* (Paris, 1863), p. 67.

début by *anarchy*, conclusion of my critique of the governmental idea, I ought to finish by *federation*, the necessary basis of European international law and later of all states."¹ But his thought steadily evolved toward viewing *an-archie* as a positive concept. In 1863 he wrote: ". . . the notion of *an-archie* in politics is wholly as rational and positive as any other."² Shortly before his death in 1864 he aimed at a comprehensive synthesis on the basis of anarchy as a form of government. The passage is worth quoting in full because it represents his completed thought, in which the principle of authority is admitted but subsumed, together with federalism, under the general concept of anarchy. That is, the two periods of his life are united in a higher synthesis.

Anarchy, if I can express myself in this manner, is a form of government or constitution in which public and private conscience, formed by the development of science and of law, alone suffice to maintain order and guarantee all liberties; where, by consequence, the principle of authority, the institutions of police, the means of prevention or of repression, officialdom, taxation, etc., find themselves reduced to their simplest expression; much more, where monarchical forms, extreme centralization, disappear and are replaced by federative institutions and communal customs. When political and domestic life shall be identified; when, by the solution of economic problems, social and individual interests shall be in equilibrium and solidarity, it is evident that all constraint having disappeared we shall be in full liberty or anarchy. The social law shall be accomplished of itself, without surveillance or commandment, by universal spontaneity.³

Proudhon's conception of liberty and of justice reflects these two phases of his thought. Liberty under anarchy would be a new adaptation of the doctrine of *laissez faire*. It would be the liberty of free contract; and as in commerce its guaranty would be reciprocity of obligation. Liberty under federalism would rest upon "plurality, division, government of oneself by oneself." Justice under anarchy would result from a free entente, when all courts and tribunals should be abolished, and a simple arbitration of friends should replace judicial decisions. Justice under federalism would rest upon the principle of mutuality, supplanting the principle of monopoly in matters of credit, insur-

¹ Italics Proudhon's. *Correspondance*, XII, 220.

² *Principe fédératif*, p. 29.

³ Italics Proudhon's. *Correspondance*, XIV, 32.

ance, and public services. Federalism is "Garantisme politico-économique" and would give satisfaction to aspirations for both liberty and justice. Under anarchy, liberty and justice would be negative concepts, and their guaranty would be mutual obligation, as in commerce. Under federalism, liberty and justice would be positive concepts, and their guaranty would be political authority, but an authority so weakened by deconcentration and decentralization, by division of powers, that it would be reduced to its simplest terms.

But actually to realize liberty and justice, something more than a decree of government is necessary; a change of direction, a modification of the social economy must be effected. That change of direction Proudhon calls the Revolution. It consists in substituting for the governmental, feudal, and military régime the economic and industrial régime, just as the former came to supplant the theocratic and sacerdotal régime. Proudhon looked upon it as a slow evolutionary movement according to natural law, continuing in spite of changes in constitutions and forms of government. The laws of social economy he held to be independent of the will of man and of the legislator. The Revolution will be accomplished because there is a *tendency* in the masses toward well-being and virtue. Society always advances. For these reasons Proudhon could write that the Revolution was furthered by the *coup d'état* of Louis Napoleon, December 2, 1851. His friends could scarcely comprehend the meaning of his book, *La Révolution sociale démontrée par le coup d'état du 2 Décembre*. More exactly, it might have been entitled "The Revolution in spite of the *coup d'état* of December 2, 1851" for in reality that is the thesis sustained. "Louis Napoleon is the fatal agent of the Revolution."¹ The Revolution moves on irresistibly because it is a deep undercurrent undisturbed by winds which ruffle the surface. So one must not identify, Proudhon with Blanqui and Barbès simply because all three are called revolutionaries. They were men of action; Proudhon was a man of reflection. They would reverse governments; he would change the direction of society. They were political

¹ *Correspondance*, V, 171.

agitators; he was a social reformer. They were in fact revolutionists; he was an evolutionist, and today would be called a "reformist."

In the end, then, does Proudhon make much or little of government? A student of the social movement in France, M. Weill, feels constrained to contradict what he calls a commonplace, namely, that Proudhon reduces government to zero. He contends that Proudhon leaves a large place for government.¹ If M. Weill has in mind social control as synonymous with government, and identifies social control with economic control, he is right. Proudhon does make a large place for the government of economic forces—the government of things; it is his entire philosophy. But he makes a correspondingly small place for the government of political forces—the government of men. Authority should be reduced to its simplest expression, he maintains. Federation saps the strength of strong, centralized governments. The ideal is an entire absence of political control, but as a concession to human weakness he will tolerate and even advocate federalism. So that the commonplace that Proudhon makes little of government (and in such thought, government is identified with political control) is profoundly true.

An attempt has been made to group Proudhon with those descending from the political lineage of Rousseau. M. Faguet cites Pierre Leroux, Ledru-Rollin, Proudhon, George Sand, and Napoleon III as claiming Rousseau as their spiritual father or as having been influenced by him.² And perhaps there is to be found in the *Contrat social* the principle of mutuality, because there engagements are described as obligatory when mutual. However, Faguet does not mention that similarity. He considers Proudhon a democrat after the manner of Rousseau. But Proudhon's entire conception is at variance with that of Rousseau. To Proudhon, Rousseau was one of those metaphysicians whom the Revolution had exalted to prominence to the exclusion of Quesnay and Adam Smith; and that was regrettable. Rousseau's thought is political; Proudhon's is

¹ *Histoire du mouvement social en France* (2me ed.), 1911, p. 41.

² *La Politique comparée*, p. 290.

economic. Rousseau believed that a strong political government makes for the liberty of its citizens; Proudhon believed exactly the reverse. Rousseau believed in the social compact as a legal fiction; Proudhon repudiated that conception *in toto*. It was borrowed, he avers, from the Calvinists. In his system the social contract is not a fiction but a fact—an actual contract proposed, discussed, voted, and adopted. “Entre le contrat fédératif et celui de Rousseau et de 93, il y [a] toute la distance de la réalité à l’hypothèse.” The entire conception, spirit, and theoretical construction of Proudhon differ from those of Rousseau. It is rather to Saint-Simon that one must look for the intellectual antecedents of Proudhon.

The similarity between the thought of Proudhon and of Saint-Simon is unmistakable. Proudhon adopts Saint-Simon’s theory of social evolution, and reiterates that government is only an administration of things. “What is government? Government is public economy, the supreme administration of the works and the goods of the nation.”¹ And the nation is like a great society or company in which all the citizens are stockholders. Both Saint-Simon and Proudhon view man as essentially a producer, and production as the supreme power in the state. Both make much of economic forces and laws: social evolution is not a thing of will but of law. Both are objective in their approach to the social problem, and apply the science of observation to social phenomena. The law of things, the force of things, the nature of things, the order of things—these are fundamental concepts in the writings of both. Both contrast science with the social power of man, to the advantage of the former. The socialists, Proudhon tells us, are not a political party because they are not “*hômmes de pouvoir mais hommes de science et de solution.*”² It was the introduction of the idea of science into morality, politics, and economics, to the exclusion of despotism, supernaturalism, and popular fantasy, so Proudhon thought, that characterized the nineteenth century and assured the glory of the new generation. All science

¹ *Qu’est-ce que la propriété?* (Paris, 1848-49), p. 178.

² *La Révolution sociale*, etc., p. 234.

is constructive; revolutions work only negation; the new industrial age must be one of science and organization. In all this there is no reflection of Rousseau; it is the image and likeness of Saint-Simon.

It remains to inquire concerning Proudhon's relation to that new politico-economic doctrine known as economic federalism, the theoretical basis of French syndicalism. The term is the English equivalent of "Fédéralisme économique" which is the title of a book published by J. Paul-Boncour in 1900. It represents an objective view of the state in which political authority is deconcentrated and portioned out among professional groups based upon community of interest, e.g., trade unions. It involves, also, a shifting of emphasis from territorial, political sovereignty to professional, economic sovereignty; and Paul-Boncour seeks to point out an evolution of professional groups toward "economic sovereignty," passing from a private-law status in which their relations were contractual and free to a public-law status in which their relations are social and obligatory. And while Paul-Boncour does not carry his reasoning to the extent of substituting economic control for political control, the syndicalists do go that far, asserting that sovereignty should rest upon production; that political forces should recede before economic forces; and that an "administration of things" should supplant the present "government of men." The new state would be a federation of economic groups, resting upon professional jurisdictions, and operating by a co-ordination of functions rather than by authority.

Perhaps the nearest approach to a realization of this ideal in modern times was to be found in the French *Confédération Générale du Travail*, which constituted the apex of a gigantic pyramid of federation upon federation, each individual *syndicat* and federation of *syndicats* retaining their autonomy, respectively, and looking to the central confederation only for co-ordination of function and advice. Theoretically there was a total absence of authority. It aimed to be a new public power and to guarantee a "new right," one which should be social and objective. It might have been termed "organic anarchism" because it

sought to overthrow the present political order—in that sense it was anarchistic; and to replace the present order by a new juridical organism with new rights and new powers—in that sense it was organic. It represented a protest against current political philosophy, on the one hand, and a striving after a new economic science of social control, on the other.

It is easy to detect not a little of Proudhonism in the spirit and direction of the *Confédération Générale du Travail*. Its last general secretary, M. Jouhaux, publicly proclaimed himself a disciple of Proudhon. A resolution of the syndicalist congress at Lyons, 1919, surely inspired, if not written, by Jouhaux, could not be a more faithful reproduction of the thought of Proudhon: even the words are borrowed: “. . . the new order, based not upon authority but upon exchange; not upon domination but upon reciprocity; not upon sovereignty but upon social contract.”¹ Nor did he forget to emphasize “le recul de la politique devant l’économie.” Jouhaux quotes “our great Proudhon” to the effect that the syndicalist movement should put back into the hands of the working class that part of direction in the administration of production which belongs to it.² The entire new principle of social organization he finds in Proudhon’s aphorism that the administration of things should replace the government of men.³ Georges Sorel, who was styled by Jaurès “the metaphysician of syndicalism,” refers understandingly and, for the most part, sympathetically to the writings of Proudhon, and ranks him as a master whose glory is destined to increase greatly. The “illusion of progress,” which Sorel finds to be the current conception that progress is conditioned by forms of government, might be illustrated from almost every page of Proudhon’s works. Both Sorel and Proudhon have little faith in democracy or in any form of government, because they hold that civilization is largely the result of economic factors.

Jouhaux and Sorel are such ardent admirers of Proudhon because they find in his writings much which seems to fit the

¹ *La Bataille*, September 20, 1919.

² *Une Attitude, un programme* (3me ed.), p. 4.

³ *Le Syndicalisme et la C.G.T.* (1920), pp. 17-18.

need of economic federalism. They find there a deep distrust of bourgeois institutions—parliamentarism and productive capital. To the Sixty who asked his advice, he recommended abstention from politics. They find there a horror of superimposed authority and arbitrary regulation, a supreme faith in the adequacy of economic forces and in the sovereignty of labor. While Proudhon was not interested in political democracy, he did envisage a new industrial democracy wherein the laboring classes should reign and govern first in assemblies of beneficence, then in chambers of commerce, in corporations of arts and trades, in companies of workingmen, in exchanges, in markets, in academies, in schools, in agricultural groups, and finally in electoral convocations, in parliamentary assemblies and councils of state, in national guards, and even within churches and temples.¹ It is the sovereignty of labor of which syndicalists have dreamed and for which they hoped for years. Add to this the doctrine of class consciousness and of federalism, and it will become clear why economic federalists hark back to Proudhon.

For these reasons, therefore—an objective method of approach, the supremacy of economic forces, anarchy as a form of government, voluntary associations with a public-law status, class consciousness, identification of government with the capitalist class, a revolutionary policy aiming to subvert the existing social order—for these reasons, one can affirm with confidence that Proudhon is the father of economic federalism. Saint-Simon made a notable contribution; Marx added something; but Proudhon developed just the right synthesis of order and anarchy to suit the French temper, and it is to him that one must look for the source of modern syndicalist theory.

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¹ *Capacité politique des classes ouvrières* (Paris, 1868), p. 163.