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# Labour and Produce Exchange Banks

Freedom Press (London)

April, 1888

## TO THE EDITOR OF "FREEDOM"

A disparaging remark in Freedom treating this constructive idea, in which Proudhon finds the lever of a pacific revolution in economics, as superficial, not radical, seems to me less than justly appreciative. Referring for Proudhon's elaboration of the plan to his 'Idea General de la Revolución' and his 'Solution du Problems Social.' I would here present it as the natural evolution and complement of the cooperation institution which has achieved great success in England, the Protective Union Store. If my impressions are correct, your first at Rochdale was developed along with other good things from an original cooperative factory. Cooperative production, besides the cost of its plans, presents social problems more complex than the Protective Union Store; hence the great and rapid development of the commercial integrant, while Integral Cooperation is still infant. Still besides your English enterprises in cooperative production, those of Godin at Guise sur Aisne, and of the Leclair and Robert works, of the wheat mills and cooper works at Mineapolis, etc., are decisive successes of mature reputation.

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The correlation of these two classes of industrial facts, at which Josiah Warren aimed, is simple and fruitful. Given the necessary probities, capacities and capitals—quite a moderate demand—place a Protective Union Store in the center of a township or parish, let its stock be owned by the farmers and other producers or useful persons, all contracting to buy and sell exclusively from and to each other, the store affording a convenient entrepot.

The banking feature comes in when the store gives its warehouse certificate of goods deposited for exchange, adding its appraisal of these. With or without assumption of responsibility, the store may likewise certify goods deliverable by their respective proprietors in person. It may also certify to the reliability of workmen in diverse specialties. Such certificates will be labor credit notes. You see the constitution of a local currency, by means of which, except for taxation, labor may exchange with labor most directly, while boycotting exploiting capitalists.

You wish to educate labor economically. You know that is not an affair of fine writing. You know that the laborers must work out their own salvation, and that it is by our actual system of intermediary profits that they are beggared. The present cooperative stores are good in proportion to purchasing power, but of little use to those who are fleeced of the profits of their work, outside of it.

Proudhon conceived that farmers might pool their credits by mortgages with his People's Bank, with a view to reduce interest and extricate themselves by installments of liquidation during terms of perhaps twenty years.

Since he wrote capitalism has been carrying matters with a high hand, and probably nothing less than expropriation will meet the exigencies of the case. The cooperative unions I have mentioned are feasible only when the means of production are owned by the producers, and this in a variety of works forming circuits of production with consumption that shall

dispense with outside trade. This completeness of circuit does not exclude the exchange of surplus products outside, and this, so long as Governments exist, will be necessary to provide for taxes; but otherwise, emancipation from the serfdom to capitalism depends in great measure on a currency different from the Government's legal tender. To withstand the privileged monopoly of money, labor only should buy labor. EDGEWORTH.

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