

Practical Details in Equitable Commerce (Preview)

Josiah Warren

1852

The present state of society, whether we look at home or abroad, is that of general agitation and confusion. Although time and property, to an amount which defies calculation, have been expended in attempts to teach and establish Justice, Humanity, Religion, and LIBERTY, we see a still greater strife for property and power pervading the whole fabric of society, in which Justice, Humanity, Religion, Liberty, and Life are *practically disregarded*.

Confidence in legislators is rapidly diminishing. Every government in the world is tottering; society, like a ship in a dark tempest, is torn and tost by contending elements; the power of men at the helm sinks into the weakness of babes; our shattered fabric is no longer manageable, and we are evidently drifting toward some unknown destination.

From one end of society to the other we hear the clash of Revolution, and the watchword is LIBERTY! LIBERTY! LIBERTY! There is a chord in every human breast that vibrates with the sacred sound, but, alas! *only* with the *sound*! Where is liberty in practice? Where is it understood? Where does any organization of society permit its existence? Revolution has succeeded revolution, change has succeeded change, age has succeeded age in struggles for Liberty! LIBERTY! has been the battle-cry, and l i b e r t y! the last sound that hung upon the dying martyr's quivering lips-yet *liberty* is still but a sound. It refers to no condition in civilized life; it has no archetype in society; but, like sweet music in the dead of night, it bursts upon the ear and enchants the soul, only to die away, leaving us nothing but the memory of a departed sound.

But LIBERTY is the vital principle of human happiness; and human nature seeks its *liberty* as the magnet seeks the north, or as water seeks its level; and society can never know peace until its members know LIBERTY; but it can never be realized under any organization of society now known to us, nor can it ever be attained upon any of the theories upon which societies are now acting! Whether any true theory is ever to be put in practice-whether justice is ever to take up its abode among us-whether LIBERTY is ever to be understood and enjoyed, are questions which yet remain to be determined in the uncertain future.

The inventions which have, from time to time, been adopted by society and by men in power, for the preservation of order and the establishment of justice, have had a long, full, and fair trial; and all of them have proved fallacious and abortive; and, upon close examination, they are found to be too full of error to compensate society for the evils they produce. The total failure of all plans of government and schemes of legislators, and the general confusion into which society is thrown, call forth and excuse the proposal of

A NEW STATE OF SOCIETY,

different from any heretofore attempted.

There are a few individuals who will at once recognize more or less of their own feelings and conclusions in what has already been said, and who are already too familiar with the vices, the follies, and miseries which surround them, and with the repeated

failures of proposed remedies. With these, therefore, I need not dwell upon the disease, nor have I ventured to bespeak their attention to remedies merely theoretical, but shall proceed at once to the *practical* part of my subject, and shall speak of *results already attained*, rather than of the uncertain future.

The foundation of these experiments is laid in the broadlyadmitted principles of human nature, and in the experience of the Communistic experiments in New Harmony during the two years 1825 and 1826, which may, with truth, be called the experience of a world.

I will not now delay to detail the reasonings which led to the conclusion that SOCIETY MUST BE SO CONSTRUCTED AS TO PRESERVE THE **SOVEREIGNTY OF EVERY INDIVIDUAL** INVIOLETE. *That it must avoid all combinations and connections of persons and interests, and all other arrangements, which will not leave every individual at all times at LIBERTY to dispose of his or her person, and time, and property, in any manner in which his or her feelings or judgment may dictate, WITHOUT INVOLVING THE PERSONS OR INTERESTS OF OTHERS.*

That there must be

Individuality of Interests,
Individuality of Responsibilities,
Individuality in the deciding power; and, in one sense,
Individuality of action.

The idea of the sovereignty of each over his own property made it necessary to determine what is truly and legitimately one's property. The answer seemed to be, *the whole produce or results of his own labor*. This would result, of course, if each lived on a separate island, and supplied all his own wants, and he would use the sunshine, air, water, stone, and other minerals, land, spontaneous fruits, and all other NATURAL WEALTH, without paying any other persons for the privilege; but how could all these considerations be adjusted through the complicated ramifications of exchange and division of labor, and yet the individual retain at all times an amount equal to the product of his own labor? This could only be effected by an exchange for *equivalents* - Labor for Labor - and by not giving any labor for the use of NATURAL WEALTH. Now came in the proposition of Robert Owen to exchange *hour for hour*. This was seen not to be perfect, because some Slabors were harder than others; but, then, as the sovereignty of every one was to be preserved through all the operations, each could make such exceptions to the rule as he or she might choose to make, and all would be comparatively harmless.

With these views an individual went to Cincinnati, Ohio, after the experiments in New Harmony; and, without waiting for the concurrence of others, opened, on the 18th of May, 1827, a store on a very small scale, on the northwest corner of Fifth and Elm streets, for the purpose of testing the views in their practical bearings in the mercantile line-that being a branch of business (particularly the retail branch) in which

every citizen is immediately interested. The predetermination was-if the operation was successful and promising-that this store was to be wound up, and land was to be taken outside of the city to build up a model village, all without saying much to the public till it should be in successful operation, so as to demonstrate every particular *practically* beyond all possible doubt or cavil, so that there would be nothing left to do but to *explain how it was done*, and to multiply these villages or cities. On the other hand, if, upon bringing the views to this severe test, it should appear that there was some unforeseen radical defect, or unconquerable obstacle, then the keeper had determined to convert the store into one of the ordinary kind, and let all systematic reforms entirely alone, and abandon them as hopeless; and, in view of this possible result, he did not give out any public pledges nor scarcely any public announcements.

In this store the principal peculiar feature was, that the compensation of the merchant was to be measured by the labor performed and exchanged, hour for hour,⁽¹⁾ with other labors. Of course it became necessary to “*disconnect*” the compensation of the merchant from the price of the goods, because he might purchase and sell a hundred barrels of flour in the same time that he could purchase and sell one barrel; and, if his compensation was charged on one barrel, he would be a hundred times paid in selling a hundred barrels; but by *separating* - “*Individualizing*” - the two elements, he would be just as paid, and no more nor less than paid, whether he sold one pound or a thousand barrels.

A clock stood ready to measure the time employed in every transaction, which completely demolished all the chances of disputes about the compensation, *and made it for the interest* of the purchaser not to take up the time of the keeper in higgling about price or any thing else; for the more of this was done the farther the clock moved on, and the more time there was to pay for!

Then, as money does not represent any definite quantity of labor, and can not be made to do so (a dollar sometimes commanding twenty pounds of flour, and sometimes double that quantity), and all other supplies of our wants being subject to similar fluctuations while bought and sold for money, therefore money could not be made to work as the medium for the exchange of equivalents; and, as purchasers could not possibly foresee how much labor they would owe the storekeeper till after the purchase was completed, it was impossible to come provided with any article of labor that would exactly compensate him. At this point came in the labor-note proposed by Robert Owen, as a medium of exchange between different organized communities, but which had never been reduced to practice, and the form of which had not been practically digested. When the purchaser had received the goods, and paid the keeper for their cost, then he was to pay him for his labor in buying and selling them in an equal amount of his own labor, for which he gave his labor-note; or he deposited some article of labor with the keeper, for which the keeper gave his own labor-note, for labor in merchandizing, and the purchaser afterward paid the keeper in his own notes till they

⁽¹⁾ This has since been resolved into the “*Cost Principle*.”

were exhausted-these being divisible, like money, into any amounts, from one minute up to ten or a hundred hours.

A *report of the demand*, corrected every morning, or as often as the supply came in, showed at all times what articles would be received by the keeper for his labor, he being governed by his own wants or the known wants of others. A notice was put up in the store, of which the following is a copy:

“NOTICE.

“Whatever arrangements may be made from time to time in this place, they will always be subject to alteration, or to be abolished, whenever circumstances or increasing knowledge may exhibit the necessity of change.”

These were all the peculiar preparations that were made; the greatest peculiarity of all being that which was left unmade or what was left **UNDONE**. For instance, the avoiding very scrupulously all “constitutions,” all artificial machinery of “organization,” avoiding every thing that produced either direct or indirect “*combined interests,*” or *united Responsibilities; refraining from laying down laws, rules, and regulations, assuming control over any interest but that of the store-keeper; avoiding all necessity for appointing governors, heads, etc.; or establishing rules or creeds, assuming control over individual judgment and **NEED FREEDOM** of action. Shunning all pledges, promises, and contracts that would not leave each individual at **LIBERTY** to change with changing circumstances.* All this was done in simple regard to the great, ever-present, and uncontrollable instinct of **SELF-PRESERVATION**, which taught the keeper that *the very first* step toward doing any good to others was to prove to them that he possessed no power to do them harm, and to run away from power with as much alacrity as it had hitherto been pursued. Yet, notwithstanding the utmost pains had been taken to show that there was no possible chance for the keeper to take any advantage of the customer in any manner whatever, neither by the delegated power of office, nor by any of the operations in trade, such were the effects of all past attempts of this kind, especially on the very heels of our recent failure in New Harmony, that no one would listen, except through personal courtesy, to any proposition to co-operate in the design. Strangers denounced it as some new visionary Utopian scheme, or a new-fangled trick for speculation or swindling, and real friends begged the keeper not to pursue any longer the *ignus fatuus* of reform, but to turn round now, and look to his own interests to repair the damages of the Harmony defeats, and let others, if they chose, bear the burden of new experiments; and they offered to aid him in commencing a profitable business. But the experimenter saw that his advisers had not the least idea of what he intended, and, therefore, their opinions could have no weight; but he went to a friend, and endeavored to induce him to come to the store and purchase an article or two, as the means of learning what the operation was to be; through courtesy he consented to come at a certain hour. The keeper was there in waiting, but he never came! He then went to a second friend, who also promised to come at a certain hour, but he came

not! He went to a third, who promised to come and try the experiment at a certain hour; the keeper was on the spot at that hour, but no friend came! Desperate with disappointment and chagrin, he went to a relation and said, "G., you, perhaps, will allow that I have no design to swindle you, at least. If you will come and purchase a few articles for your family, and if you do not like the results, I will take the goods back, and give you your money. You S know, of course, that you do not join any society, nor in any way compromise your freedom of person or property. 32 You do not in any way become responsible for my acts, nor, consequently, for my success or that of the experiment; you are as much an individual in all things after the transaction as you are now, and I can get nobody to try the first experiment." G. promised to come and make a purchase. He did come, and purchased to the amount of about one dollar and fifty cents, and by exchanging his labor for that of the keeper, saved about fifty cents, or the proceeds of about three hours of his labor by the equal exchange of about fifteen minutes! and this in the purchase of coffee, sugar, writing-paper, and other articles of common necessity. He was not desirous of giving back the articles, but let the transaction stand, and the keeper held G.'s labor-note for fifteen minutes' labor on demand.

G. spoke of the transaction to P., who came immediately to the store, and exclaimed, "My God! what fools we were at Harmony! Why did we not see such a simple thing as this? Here, give me (such and such) articles." He purchased about five dollars' worth of common necessities, and saved about a dollar and fifty cents in about twenty minutes! He went away immediately, and reported to a female acquaintance, who was supporting a sick husband with her needle. She came and purchased two articles of medicine, the common price of which would have been 621 cents, but, upon this principle, the price was 17 cents, and she saved the proceeds of about nineteen hours of her labor, and paid the keeper for his labor with ten minutes of her needle-work! Had the keeper received the common price for these two articles, amounting to only 624 cents, his profit of ten minutes would have enabled him to command a hundred and fourteen times as much of the labor of the woman as he gave her in return!

The information spread from the last purchaser to another, and from him to others, so that on about the fifth day, a Mr. F., a very much respected member of the Methodist Episcopal Church, came in and said, "Sir, I am a stranger to you, but my neighbor, Mr. N., was trying last night to initiate me into your new mode of dealing, and I, without giving much thought to it, called it some new humbug; but when I went to bed, I could not sleep; there were some striking points about it, that the more I thought upon them, the more impossible it was for me to sleep, and I have not slept all night; and I came to ask you (if you can spare the time) if you will give an understanding of the enterprise?"

"Yes, sir, certainly, with pleasure; my great difficulty has been to get inquirers or listeners." A kind of outline of the subject was then given, and the prices of various articles stated-

Mr. F.-"There! You need go no further; I see it-I see it all. I will send some corn-meal here. You must give me small labor-notes for it, and I will explain it to my friends.

Good-by, till I see you again.” The corn-meal came, and the keeper paid for it all in five and ten minute notes, and from that time the customers increased rapidly, and it was not more than three months before there was a throng in the store that amounted almost to confusion. The store-keeper on the next corner came to the keeper and said, “I can sell nothing. I must either open a store like this or shut up. I -wish you would tell me how to do it.”

“Certainly, sir;” and the next store-keeper opened a second “*Time Store*” (as the public called it), because of the clock measuring the time of the merchant. There was a constantly increasing rush of customers to both stores, and the retail trade all over the city began to be affected by it; and this is not surprising when the prices upon this principle are contrasted with the common prices in the ordinary way. Not that retailers of groceries, etc., always get extravagant profits in the long run, but the new arrangement gave rise to economies that are entirely unknown to and impossible in the ordinary way. A retailer may make twenty-five cents in one minute twice in a day, and sell twenty other articles so nearly their cost, that his income for the whole day, over and above rent, may not exceed a dollar, but he is employed, perhaps, not a quarter of his time; but being employed all his time at the same rate (the rent being no more), his income might amount to six dollars. The keeper of this place was employed all the time. Then, again, there was no higgling about price, none of that petty warfare and roundabout maneuvering between the seller and the buyer, that consumes so much time in the common way. It was all entirely stopped by the simple principle of equivalents, which admits of no variation of price, when once set, and the keeper has no time to throw away in inveigling customers, nor setting traps, spreading nets, or any thing of the kind, therefore the time generally consumed in this way was saved and employed in selling. There was an account kept, always open to the inspection of the customers, in which they could see all the items of expenditure and income of the establishment; where the items of rent, firewood, cartage, breakage, leakage, etc., were recorded, and where all the time spent by the keeper in the management was also recorded, and a regular per centage was added to the prime cost of articles to pay all these contingencies. If this per centage proved more than sufficient for these purposes, it was to be reduced, and if insufficient it was to be increased, but never without previous notice to that effect. The goods were exposed to view with the prices all marked, so that customers had only to examine and decide for themselves, without ever taking up any of the time of the keeper, as, according to the common practice, by which he is obliged to repeat the whole catalogue of answers, perhaps a hundred times a day. With these and other economies, growing out of the fact, that as much time as the customer took up of the keeper, *so much he had to pay for*, enabled the keeper of that establishment to retail as many goods in an hour as are commonly retailed in a day or two, and all with the best possible feelings between both buyer and seller, growing out of the well-established fact that the whole was perfectly equitable toward both parties. The bills of all the purchases were carefully and promptly posted up before the eyes of all the customers, who, by this means, perceived that there was no

departure from, no violations of, the professions and principles announced. A few notes, taken during the bustle of business, will show some of the practical bearings upon the minds and interests of the dealers better, perhaps, than any abstract description could:

June, 1827. - Mr. M. purchased -

	Cost price.	Common price.
1 quart brandy,	87 1/2	62 1/2
1 pair men's shoes,	90	\$1.50
4 pounds mackerel,	16	25
4 oz. ess. lemon,	5	25
	\$1 48.	\$2.62 1/2
		1.48 1/2
		Gain \$1.14

In this case the purchaser was a blacksmith. I have given the articles to show that they were of the most ordinary kind; yet in this simple operation of spending \$1 48, he saved \$1 14 in twenty minutes, which last he paid to the keeper in blacksmith's work. The blacksmith in this simple operation saved nearly the whole proceeds of a day's work. Had the articles been sold in the common way, the keeper would have obtained nine or ten hours of the work of the blacksmith for twenty minutes of his own, although the labor of the blacksmith is much more repugnant than that of store-keeping.

A widow with a family of children dependent on the proceeds of her needle, and who obtains about twenty-five cents a day, purchased a few of the common necessities of life, paid the keeper in an hour of her labor, and saved \$1 52, or the proceeds of six days of her labor! Had these articles been sold in the common way, the keeper could have obtained sixty or seventy times an equivalent for his labor from the widow!

Three instances have occurred this week in which the purchasers have saved one dollar in the equal exchange of about ten minutes! The article purchased was boots, the price of which in the common way would have been \$3 50. The cost price, or *Equitable* price, was \$250. (Refer to Mr. S. N., who purchased a pair).

We are now receiving the services of a very superior teacher for our children (Mr. E. E.), who divides his time equally among them, each paying him eight hours per quarter for each child. The notes given out by the keeper of the store are worth to the one who holds them, from about I one to three dollars per hour. The high value of these to the teacher compensating him for taking the notes of the needle-women and others, whose labor does not now command equivalents-thus are the falsely high brought down, and the falsely low raised up to Equilibrium.

June 12. Mrs. G., a widow lady, purchased some common necessities, and saved \$1 13 in forty minutes; remarked as she was going out, that "this is the work of Providence in favor of the oppressed."

Mrs. S. saved, on seven common articles of clothing, \$3 50, the whole amount of the bill being \$5 31. Her saving in this case was about the proceeds of fourteen days

of needle-work! Had these articles been sold in the common way, the seller could have obtained fourteen whole days of the purchaser's labor for the labor of handling and selling \$5 31 worth of clothing, or about forty minutes of his labor!

16.-A young man, by the name of J. P., purchased two yards of broadcloth for a coat, price per yard, \$2 93; common price \$5 00. Difference (after deducting the time of the keeper), \$400! He said he was working at learning the carpenter's trade, at \$5 00 a month and his board; therefore, he saved the proceeds of twenty days' labor in this simple transaction!

Oct. 1, 1827. Upon balancing the contingent fund, i. e., the per centage added to pay contingent expenses, against the amount of expenses incurred since the beginning, there are 86 cents gain!

Four per cent. is the amount at this time added to prime cost to pay the contingences.

M. M. saved on two pairs of shoes and cotton, \$1 44. Time, five minutes. The saving in this case was the proceeds of about one day's labor of the man, or six of that of his wife, or about seventy hours of the labor of his children!

In other words, the store-keeper, by selling these three simple articles in the common way, could have obtained one hundred and twenty times an equivalent for his labor from the purchaser, or seven hundred and twenty times an equivalent from his wife, or about nine hundred times an equivalent in the labor of his children!

Nov. 10, 1827. —Mr. Samuel Hyde Saunders generously offers 1,500 acres of land in Logan County, or in some other situation that may be proferred, out of about 30,000 acres in different parts of the United States, to be used and occupied by any persons who desire to carry out these principles. How does this fact agree with the common remark, that "men are by nature too sordid to cherish or promote such principles!"

Miss L. N. bought six yards batist at 14 cents per yard; the common price for the same article is 50 cents per yard. Also bought a shawl, price \$1 50-common price, \$225; three dozen buttons, 25 cents-common price, 371 cents. In this case the young woman saved \$2 99 by exchanging twenty minutes of her labor equitably for that of the store-keeper! That is, she saved the proceeds of twelve whole days of females' labor in an equitable exchange of twenty minutes!

Same day the same person returned and bought three more shawls, \$4 54, and saved \$1 40, or the price of about six days' labor in five minutes! The prices of some of these articles appear to be incredibly low when contrasted with the common retail prices, but it is explained by their having been bought at public auction, and they were often sacrificed. But common store-keepers also purchased at auction as much as the keeper of the Equitable store.

Mrs. P. bought eight yards Lovantine silk-whole cost, \$4 80-common price would have been at least \$10 00. The purchaser obtained about 30 cents a day for her labor. She saved \$5 20, or the proceeds of about seventeen whole days' labor, by the equitable exchange of ten minutes!

Had this silk been sold in the common way, the seller would have received \$5 20 for ten minutes of his labor, or ONE THOUSAND AND TWENTY TIMES AS MUCH AS THE PURCHASER RECEIVED FOR HERS!!

Mr. B. says, that “he just now, for the first time, begins to comprehend this principle; and that it is the most stupendous, most sublime, the most magnificent discovery that it is possible to conceive that the results of these principles must be all that can be desired by human nature.”

I have just learned that Mrs. -, the wife of a speculator, says, I am the agent of the merchants down in town to sell off their old damaged goods. I am also told that a grocer said I was the agent of Mr. Owen, who had come here to undermine our Republic! These different views of I the same facts, illustrate the “*Individuality*” of minds, and confirm the fundamental principle of the whole of the operations.

Great interest is exhibited toward raising a capital for the purpose of extending the store; but it does not comport with the original nor present design. This store-keeping is only one application of great universal principles, and it is not the wish or design to interfere too severely with one class of the community until we open the door to them in another direction. The store-keepers are only acting precisely upon the same principle as all other buyers and sellers, and even all other classes all *get whatever they can* for what they do; there are no regulating principles known to any class or party; the whole fabric of society has to be begun anew from the foundation. This requires removal from cities as they are now constituted, and the building up of new ones upon entirely new pecuniary principles. If we can not introduce some true, scientific, and regulating principles, and thereby change the general modes of action, I look for no permanent improvement in the social condition. The pecuniary principle in operation in this store, as far as buying and selling goods is concerned, is already as well tested (to my mind) as it could be by being conducted on ever so large a scale.

Mr. J. P. bought seven small articles (chiefly medicines), cost 41 cents-the common price would have been \$1.03; saved 67 cents in twenty-five minutes by the equal exchange of labor! in spending 41 cents. Four strangers who stand by and witness the transaction, are astonished that they should so long have been “blind to the rights of property.” ...

It has often been asked what will induce lawyers, physicians, etc., to exchange equally with the now unpaid labor? Such is the individuality of persons that they may have I different motives for it, and a proper respect for this teaches me to leave the explanation of their motives with each one for himself; but the *fact* is, that we can at any time have the services of a lawyer upon this principle, whom we should prefer to all others that we know, on account of his long experience and his unconquerable integrity; and I have on hand, at this moment, the labor-notes of three physicians, promising their attendance on this principle, on demand, and two of them would be preferred to any others within our knowledge, for their superior integrity, experience, and general intelligence.

March 30, 1829. - I am now proposing to wind up what is popularly denominated "The Time Store," which I have kept in operation since the 18th of May, 1827, an interval of nearly two years, during which time I have had ample opportunities to satisfy myself, and a few others who can understand the design, of the practicability of the principles, so far, at least, as buying and selling constitutes a part of the business of society. It now remains to carry out the principles into the other ramifications of social life, on a permanent location, where land can be had at a price that we can pay.

...

The store was gradually wound up, and the keeper came out of it with just about the same amount of property with which he commenced it, having tested the principle, and cleared all he consumed while engaged in it, but nothing more; a large portion of the time having been occupied in answering questions, and giving explanations, which the just development of the principles rendered necessary; but in villages where the subject had once become familiar, this expenditure of time would not be necessary. Let it be particularly observed here, that throughout all the ramifications of this business, it was regulated by entirely new *principles*, and that these principles *did regulate*, instead of the customary machinery of organization, constitutions, laws, rules, and rulers. No organized or artificial power of any description was erected *above the individual*. No votes of majorities were taken for any other purpose than as an economical mode of learning the wishes of others, but not to compel any one to conform to them any further than he or she chose to yield to the wishes of others. The vote of an unanimous meeting was not intended nor expected to rise above or assume control over the inclination of the individual *necessity for such compulsion had been provided against* and avoided in the strict individuality of interests which enabled each to move in his own particular sphere, time, and mode, without involving the persons or interests of others. We have, therefore, thus far demonstrated that *the erection of any power over the individual is unnecessary*.

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