

2. Reform of capitalism

The New Social Contract



"There can be no true democracy without economic freedom and equality, marked by an absence of privileges and monopolies, justifying the motto: each according to his services. This motto of fundamental equality and justice is the motto of individualistic democracy."

– Henri Lambert



With Eugene Baudoux, he reflected on various social problems and published various studies, especially regarding the law of association which is one of the pillars of one of his three major publications: *The New Social Contract or Organisation for Individualist Democracy*.

Vision of an era

In his day, Henri Lambert witnessed an excessive accumulation of progress in science, technology and industry but without corresponding and compensating advances in the realm of international economic morality. *"And yet, the economic relations between people are their only fundamental relationships."*

His pessimistic view of the society of his time, despite the fact that he was fundamentally optimistic about human nature, made him fear the disappearance of a civilisation that had for too long *"ignored the international moral principle of free trade and the equality of fundamental rights."*

Since the economic needs of people (food, clothing, etc.) are primordial, these interests are too. They are therefore fundamental. So it should be on them that we *"base and organise our intellectual, moral and spiritual interests."* It is important that these economic interests are natural and healthy they can exert their immediate reason for being, namely: the creation of the security required for the development of human activities. *"Because in the nature of things, security is only achievable through justice and morality."* Thus, cascading, the physical environment creates the economic environment, which in turn generates the intellectual milieu from which then derives the moral environment. The primordial and fundamental moral truths are the truths of natural economic laws. The first intellectual truths are therefore those that provide the primordial and fundamental moral truths of the entire process of civilisation.



Based on an overall philosophy of man's place not only in society but also in the universe and of the finality of his existence, Henri Lambert's new social system reflects a search for positive morality whereby reason structures, provides roots, and gives actions solid justification in a way that religions, and Christianity in particular, cannot. His efforts focus on his desire to find an essential "scientific" basis, that guarantees religion, philosophy and metaphysics a degree of rational truth, allowing man something of a belief without faith, and adhesion to a system, whose overall explanation allows religion to merge into a general, highly spiritual and finalist philosophy in which physics and metaphysics are not in antagonism.

The 10 principles of individualist democracy

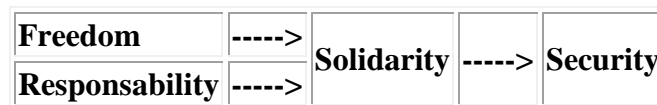
According to Henri Lambert, civilisation would follow a progressive uninterrupted course if a few elementary truths of economic philosophy and natural political morality were applied and above all were known by political leaders in particular. To that end, he identified a list of ten basic truths:

- 1. The first virtue is labour, the producer of services and goods. The second, the economy which forms and saves capital. The third is the entrepreneurial spirit that makes the first two grow.**
- 2. Natural resources are gratis.** The value of things lies entirely within the utility added to them by means of labour and capital. The last is nothing other than the saved product of previous labour. Therefore only the services of labour and capital must be paid for by the consumer.
- 3. The origin of all progress, whether economic, intellectual or moral, is in the natural phenomena of division of labour and exchange.** The role of states should be limited to achieving the most favourable conditions for the development of economic activities by ensuring the freedom and responsibility of the actors. Thus, any barriers to trade inhibit the good functioning of society.
- 4. The law of supply and demand determines price.** This is what establishes economic equilibrium, the legitimate price does not reside in the cost of products or in their cost price, but in the mutual service rendered by the producer and the consumer. The operation of the law of supply and demand implies the freedom and responsibility of the traders of goods and services, that is to say, the absence of all protection, privilege, and legalised monopoly in favour of the producer or the consumer – seller or buyer – of goods and services.” Fairer value, fairer prices, fairer wages, fairer benefits will result in greater equity in wealth distribution and the distribution of private property. This will generate more freedom, responsibility and equality between the signatories of contracts and thereby the most economic justice and therefore also social justice.

5. **Producer interests are personal and are therefore private.** Complete freedom is given to producers to join together on condition that their liberties entail also their corresponding and appropriate responsibilities. The general and public interest coincides with that of consumers. This is the only thing that the legislature should be concerned to "protect".

6. **We must produce before consuming. The ability to consume is limited only by the ability or willingness to produce.** (There can be no "overproduction" if everyone creates "surplus" and engages in free trade.) Wealth consists in the quantity of goods and services produced and offered for consumption.

7. **Societies cannot develop and civilisations cannot rise indefinitely except by the progress of the individuals within them.** These advances depend, above all, on the practice of economic, social and political freedom and responsibility. Free and responsible, the individual will realise the insecurity and helplessness in which isolation would leave him. In all areas, therefore, he will practice free and voluntary solidarity and cooperation. Cooperation and solidarity are benevolent and moral when practiced in freedom and responsibility. Social organisation and civilisation – alike natural, gradual and sustainable – in which moral progress balances that of utilitarianism, combine in a state of rights guaranteeing to the individual freedom (the condition of his striving, his initiatives and his progress in physical and material realms) and responsibility (the condition of his progress in terms of morality), from which naturally results solidarity – the condition of security born of voluntary mutual aid, as well as the development of free cooperation, and the source of sympathy and growing altruism.



8. **Human society is but a natural institution of mutual services, whose goal is the material, intellectual, moral and spiritual progress of the individual.** Thus the solution of the social question and the building of a real and sustainable civilisation consists in the "discovery and practical implementation of a universally applicable form of association which properly and perfectly unites, combines and reconciles, the freedom, responsibility and solidarity of partners."

9. **The state, not being a natural form of society, should be endowed with an organisation where individual interests are dominated by the common interest, private interests are subject to the public interest and special interests are subordinate to the general interest.** The organisation of voting must therefore ensure the preponderance of the general and public interest over all special interests, including those of political parties.

10. **It follows from the principles set out above that the conditions of the natural order of society can be summarised in three key notions: SOLIDARITY, FREEDOM AND RESPONSIBILITY OF INDIVIDUALS.** As the pillar of this philosophy stands, as its fundamental principle, the notion of responsibility from which derives morality. "Once therefore admitted," he says, "by all and without any possible doubt, that individual moral progress is an irrefutable need for societies and civilisations based on democracy, it is undeniable that among the principles that virtually determine the activities of men, it is that of responsibility which in democracies is essential and which may be the least violated with impunity: for if freedom is necessary to achieve progress in science, arts,

and industry, and if it is on solidarity that we must build the edifice of security; if it is by authority that we must ensure obedience to laws – it is by responsibility alone that individual morality develops and progresses. It is on individual responsibility that the proper operation, prosperity, and duration of democratic societies depends.” The earth is everyone’s shared foster mother, *EVERY MAN IS ENTITLED TO HIS PART OF THE UTILITIES OFFERED GRATIS BY THE PLANET*. Countries were not given to nations, but are only "entrusted" to them for the common benefit of all men born residents of the planet and natural citizens of the world. It is therefore necessary to abolish all monopolisation. Everyone should be free to come and go, even to settle at will around the globe. Laws should have no purpose other than to ensure order, safety and good mores. This tenth principle thus became the first in the philosophy of Henri Lambert. So, he adds:

"Individual interests are naturally concordant, they align with the common, general and public interest (that of consumption), whenever individuals are left to develop their activities in full liberty, responsibility and solidarity. When human activities unfold under the regime of full individualism, it is enough for each man to further his own happiness in order at the same time to contribute to the well-being of all. Under such a regime, societies will prosper and last, civilisations will rise and perpetuate themselves, because they fulfil their cause and their purpose: the general progress of individuals, the condition for accomplishing the final cause of phenomena."