

THE FALLACIES

in

Progress and Poverty

in

Henry Dunning Macleod's Economics,

and in

Social Problems

with

The Ethics of Protection and Free Trade,

and

The Industrial Problem considered a-priori.

by

William Hanson.

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PREFACE.

NO well-informed person will deny that among the wage-workers of all nations there is an immense amount of privation and consequent misery. This destitution cannot be wholly ascribed to improvidence, or to the transgressions of hygienic or physiological law. For in these respects the rich, equally with the poor, are guilty. To other causes must we therefore trace the wretchedness observable in the midst of unremitting toil.

The author has given eighteen years of constant thought to a solution of this difficult problem. Sympathy for the distressed is the motive force of this protracted investigation. He has found that the Political Economists are contradictory, inconsistent, and illogical. They seldom agree upon anything, and are therefore scientifically unreliable. Nor can the writer see that God is the author of these miseries; rather must they be traced to a transgression of His laws. Nor, in the opinion of the author, does the recognition of, or a belief in a Supreme Being, detract in the least from the scientific quality of his essays. Agnosticism has its legitimate uses and merits respect.

So long, however, as there are Laws of the Universe, and a moral order discoverable, it is legitimate to infer the existence of a supreme and infinite cause.

There are those who maintain that Economics have nothing to do with morals. From this opinion the author dissents in toto. The Industrial Problem demands a moral solution, and this it must have, ere a settlement can be gained. The author, therefore, invites a careful examination of the Inductive and Deductive demonstrations of his book, and prays that a perusal will convince the intellect, and quicken the heart of the reader to an abiding sense of his own moral obligations.

WILLIAM HANSON.

Macleod's Economics.

HENRY Dunning Macleod, M. A., of Trinity College, and the Inner Temple, Barrister at Law selected by the Royal Commissioners for the Digest of the Law of Bills of Exchange, Bank Notes; &c, and Lecturer on Political Economy in the University of Cambridge, England,—has written a Book on Economics to show that Political Economy may be reduced to an exact Science on the basis of Physical Science.

Macleod overwhelms one by his learning. If a knowledge of Greek, Latin, French, German, Ancient and Modern History, Greek and Roman Law is wisdom—then indeed is he supremely wise. But wisdom is not necessarily the companion of great learning.

Macleod's first Treatise is divided into two Books. The first book treats of the History of Economics: and the second book of the Fundamental Conceptions of Economics. And the entire Treatise culminates in this—

Wealth and Value are Caused by Demand: and Economics is a Physical Moral Science.

One might as well essay to establish Medical Science on all of the diseases to which mankind is heir, by a single formula, as to essay the erection of a Physical Moral Science on Demand, or the varying selfishness of the human nature. 'Tis impossible and absurd, as I shall now endeavor to show.

In the Preface to his book, Macleod says:—"A profound knowledge of Mathematics and Physical Science, and the methods and principles by which the various Physical Sciences have been constructed, is necessary to enable a person to express the Laws which govern the varying relations of Economic-quantities in strict harmony and analogy with the Laws of the other Physical Sciences."

"Economics is the noblest and grandest creation of the human intellect. It is the crown and the glory of the Baconian Philosophy. No one can thoroughly realize the awful sublimity of the genius of Bacon until he studies Economics; because it is the literal realization of his matchless discovery that the same principles of Mathematical and Physical Science which govern the phenomena of nature equally govern the practical business of life."

In harmony with this eloquent declaration, he lays down the following fundamental canons for the formation of Definitions and Axioms:

He says, (Page 27,)—

1. *The Fundamental Conceptions and Axioms of every Science must be perfectly General.*

2. *No General Conception and no General Axiom must contain any term involving more than one Fundamental Idea.*

He then seeks for a definition of Wealth which harmonizes with the above canons. The first eminent mind behind which he fortifies himself is that of Aristotle who says;

"And we call Wealth all Things whose Value is measured in Money." "Thus Aristotle makes Exchangeability, or the capability of being bought and sold, to be the sole essence and principle of Wealth. Consequently everything: whatever which can be bought and sold is Wealth, whatever its nature may be."

Since Aristotle's definition of Wealth accords with the above canons, he conceives that "it is therefore fitted to form the basis of a great Science."

He next proceeds to number "the distinct kinds of Quantities which can be bought and sold, or whose Value can be measured in money." They are three in number.

1. "Material things, such as lands, houses, cattle, corn, timber, money, jewels, furniture, manufactures of all sorts, &c., which can all be bought and sold, or whose value can be measured in money."

2. Immaterial things, such as products of the mind, which include all of the sciences, poetry and inventions, and all services which are of an immaterial character and which are needed, bought and sold, "or whose Value can be precisely measured in Money."

3. Rights which are Exchangeable, and which can be bought and sold; "or whose Value can be measured in Money." They consist of Bank Bills, Promissory Notes, Bills of Exchange, Mortgages, Bank Checks, and all other paper evidences of Debt.

He thus concludes that there are three distinct orders of Economic Quantities which can be bought and sold "(1) Material things; (2) Labor or Services; (3) Rights of various kinds." "And as we have found that the Quality of things which constitutes them Wealth, "is Exchangeability, it necessarily follows that the Science of Wealth, or

the Science of Economics is the Science of Exchanges or of Commerce in its widest extent."

To sustain himself in the view he has of Wealth, and the three distinct Quantities as given above, he quotes largely from Greek and Roman Law and uses the eminent names of Socrates, Aristotle, Plato, Cicero, Ulpian, and others.

On Page 39, he makes this qualification of Wealth:

"That whether a thing is Wealth or not depends entirely upon human wants and desires; i.e. on Demand. Exchangeability being the sole essence of Wealth, a thing is not Exchangeable when there is no demand for it; hence the same thing may be Wealth at some times and in some places; and not at other times and in other places, Socrates showed by the instances of the different moneys of different countries. No thing, therefore, is Absolute Wealth. Anything whatever, whether it is a material product, or a Labor or Service, is Wealth only where and when it is demanded and paid for: it is not Wealth where and when there is no want, desire, and Demand for it, and nobody will give anything in exchange for it."

Having thus given a clear conception of Macleod's theory of Wealth, it is now my purpose to show that his definition is subtle and misleading, because it is derived from the selfishness of the human nature, and not from the nature of things. I now ask this pertinent question: Can Money measure Wealth?

Let us see. Can coal in the mines be measured with money? Yet coal is bought and sold. Can land be measured with money? Yet land is bought and sold. Can the fishes of the sea, the birds of the air, and the beasts of the field, be measured with money? Yet fishes, birds, and beasts are bought and sold. Can the musical, mathematical, constructive, and reasoning faculties in man be measured with money? Yet these faculties are bought and sold. Can we measure with money the physical strength of man? Yet the physical strength of man is bought and sold. Can bank notes, checks, bills of exchange, mortgages, stocks, bonds, or other paper evidences of debt, be measured with money? Yet these things are bought and sold. Can houses, furniture, books, statuary and paintings be measured with money?

Yet these things are bought and sold. Can the bodies of women be measured with money? Yet the bodies of women are bought and sold

for the uses of men. Do not these questions reveal the inherent impossibility and absurdity of his Fundamental Definition? If so, is not the basis on which he erects a great Physico-Moral Science a stupendous fallacy? and are not the conclusions derived therefrom equally fallacious?

Macleod fails to see the fundamental quality of a true and scientific measure. He has watched the selfish operations of the human nature, and gained his definition from that blind guide, instead of looking at the nature of things, which always reveals the truth to one who has an eye to see. Science is systematized truth. If it be not truth, then it is of no practical utility to mankind. Can the material universe be measured with money? If it cannot, neither can any part, since the whole is the sum of its parts. The following is a Scientific Concept of a True Measure:

"A True Measure of anything must possess the same Property and Quality as the thing to be measured, and the Measure itself must be measured."

The length of a pendulum, beating sixty seconds to the minute, is taken for the Unit of measure in England and America; hence the yard-stick.

The Pound Avoirdupois is equal to 27.7 cubic inches of distilled water, and is the Unit of weight. The Unit of Land Measure is the Square Acre.

The Unit of Liquid Measure is the Gallon, which contains 231 cubic inches, or 8.338 lbs. of distilled water.

And, the Measure of an Angle is the Arc of a circle included between its two sides.

Now, the utter impossibility of measuring angles with money is seen at once. Nor can we measure liquids, solids, lands, or length with money. Because money does not possess the same Property and Quality as these things. And, for precisely the same reason, it is absolutely impossible to measure Work or Services of any kind with Money; and, therefore, it is equally impossible to measure Wealth with it. As a logical sequence Macleod's fundamental definition of Wealth is a Myth, and the Physico-Moral Science which he has erected upon it necessarily falls.

The following Definition of Wealth will be found to be perfectly Scientific, because in harmony with the nature of things, but not in harmony with the selfishness of the human nature:

Wealth consists of all Labor Products and Services that gratify human desires, and whose Commercial Value can be measured with Work.

What Macleod says of his definition of Wealth, I now say of mine.

"Here we have a perfectly good General Conception, which exactly satisfies the canon laid down in the preceding chapter, as it contains only one General Idea—and it is therefore fitted to form the basis of a Great Science.

It is a Conception as wide and general as the dynamical definition of Force. This single sentence is in fact the germ out of which the whole Science of Economics is to be evolved, just as the huge oak tree is developed out of the acorn."

These two definitions of Wealth are as opposite to each other as the antipodes. Which then is the true definition? Both cannot be used as the basis of a great Science. I have already analyzed Macleod's definition of Wealth, and have proved it to be a Myth. I shall now proceed to show that my Definition of Wealth is in harmony with the nature of things; and is, therefore true.

Macleod says: (page 31) "The Quality which constitutes things Wealth must be some single Quality of the most general nature: and the Science of Wealth must be the Science of the phenomena relating to that single Quality:"

Now, the single Quality which he alleges constitutes a thing Wealth or Value is—Demand. This idea he iterates and reiterates throughout his book, and fortifies it by great Names, and by Greek and Roman Jurisprudence.

He says: (page 115) "All ancient and all modern writers, except the English ones, have shown that Demand is the true cause and source of Value; and even in those cases in which Labor is connected with Value, it is not the Labor which is the Cause of Values, but the Demand for them. For, however much Labor may be bestowed upon things, if there is no demand for them, they have no Value."

On pages 241 and 242, he says:—

"Now a very popular and widely spread doctrine is that Labor is the Cause of Value."

"Locke, as far as we are aware, was the earliest writer who maintained that Labor is the Cause of all Value."

"The doctrine that all Wealth is the produce of 'Land and Labor' became very common among early writers on Economics. Smith constantly repeats the phrase: though he contradicts himself."

Ricardo also adopted Labor as the Cause of all Value; in which he is followed by McCulloch.—"An object which may be appropriated or adapted to our use without any voluntary Labor on our part may be of the highest utility; but as it is the free gift of nature, it is quite impossible that it can have the smallest Value!—'In its natural state matter is very rarely possessed of any immediate or direct utility, and is always destitute of Value. It is only through the Labor expended on its appropriation, and on fitting and preparing it for being used, that matter acquires Exchangeable Value, and becomes Wealth.' "

"Carey also maintains that all Value is due to Labor, and says that the exceptions are so few as only to prove the rule."

After these quotations Macleod then says:—"We have now to apply the Principle of the Baconian Induction to investigate the doctrine that Labor is the sole Cause or Source of Value."

We may lay down this Lemma,—"If Labor is the sole Cause of Value, then whatsoever thing Labor has been bestowed upon must have Value."

"For if there be two things produced with the same amount of Labor, and the one has Value and the other not, then there must be some other Cause of Value besides Labor; which is contrary to the hypothesis."

"We will now examine some of the necessary consequences of the doctrine that Labor is the Cause of all Value."

I. All Differences or Variations in Value must be due to Differences or Variations in Labor

This doctrine, however, is contrary to all experience: because there are many material things upon which no Labor was ever bestowed which yet have Value, and also great difference of value.

1. The space of ground upon which a City is built has great value; but which is in no way the result of Labor.

Land in the heart of London has often been known to sell for more than £2,000,000 an acre; quite exclusive of any buildings upon it. But no Labor has been bestowed upon it.

As we recede from the centre, the Value of Land rapidly diminishes; at Charing Cross it is much less than in the City; and at Kensington much less than at Charing Cross.

How are these differences of Value due to Differences in Labor, when, as we have seen, there has been no Labor at all bestowed on the Land?

2. The doctrine that no natural product has Value before Labor has been bestowed upon it, is contradicted by the plainest experience. The proprietor of a coal mine, or a stone quarry, demands and receives a price for the coal or the stone, or the marble, as it exists in the mine or the quarry before a human being has touched it.

If a person found a diamond or a lump of gold by chance, would they have no Value? And is it the Labor of picking up which gives them Value?

It is said that in 1810 an oak tree was cut down at Gelenas in Mommouthshire, whose bark sold for £240, and the wood for £670; was this Value due to Labor?

3. There are, again, cattle, herds, and flocks of all sorts. These increase and multiply by the agency of nature. How is their Value due to Labor?

Some time ago a large whale was stranded on the shore of the Firth of Forth: it was sold as it lay upon the beach for £70.: no human being touched it; how was its Value due to Labor?

Mr. Buckland, says—'When examining the cast-off skins of the snakes at the Zoological Gardens, we observed some white-looking substance in a box. This is the *dejecta* of the snakes. It is a perfectly white substance, looking very like plaster of Paris, and is composed of nearly pure uric acid. It is bought by a doctor for the high price of nine shillings a pound.' Were the excreta of the snakes the product of human Labor?

II. *If Labor be the sole Cause of Value, then all things produced by the same Quantity of Labor must be of equal Value.*

But this doctrine is contrary to all experience. For if it were true, a diamond and the rubbish it is found in ought to be of the same Value!

So a pearl and its shell ought to be of the same Value. A lump of clay ought to be of the same Value as a lump of gold, if obtained by the same Quantity of Labor. If a sportsman were to shoot a pheasant with one barrel and a crow with the other, they ought to be of the same Value. If a fisherman were to catch a salmon and a dogfish together in the same net, they ought to be of the same Value. And similar cases might be multiplied to any extent. Here we have products obtained by exactly the same Quantity of Labor which have manifestly very different Values; which proves decisively that Labor cannot be the sole Cause of Value.

III. *If Labor be the sole Cause of Value, the Value must be Proportional to the Labor.*

But this doctrine is contrary to the most manifest experience. Suppose that a gold-digger by good luck found a nugget of gold lying on the surface of the ground; another digger works for six months and finds an exactly similar one; then, according to this doctrine, the latter nugget ought to be immensely more valuable than the first. Or suppose that some gold were brought from some diggings near the market, and that an exactly equal amount were obtained by enormous Labor among mountains many hundreds of miles off. The latter is of course produced, i. e. placed in the market at an enormously greater amount of Labor and cost than the other. But would it be more valuable? The least experience shows that it would not be so, but that things of exactly the same Quality would be of exactly the same value at the same time in the same market.

IV. *If Labor be the sole Cause of Value, a thing once produced by Labor must always have Value and the same Value.*

If any one were to set up a manufactory of watches, or reclaim land, and grow fine fields of wheat in the centre of Australia, where there was no demand for the watches and the corn, where would their Value be?

Moreover, if Labor be the sole Cause of Value, if a thing is once produced, its Value could never vary, which is Ricardo's express doctrine. But this is contrary to all experience. Because things after they have been produced, and all Labor upon them has been ended, constantly vary in their value from day to day, and from hour to hour, and from year to year. Thus, pictures by one master constantly

Can the demand for a steam-engine produce a steam-engine? or the demand for a physician the medicines that cure diseases?

Can the demand for a plow make a plow? or the demand for flour the mill that grinds it?

Can the demand for a house make a house? or the demand for cotton and woolen goods the factories which produce them?

Can the demand for a statue make Power's Greek Slave? or a demand for painting produce the Sybils and Prophets in the Sistine Chapel at Rome?

And yet we are told that "Intensity of Demand" is the sole Cause of Value. Evidently there is a stupendous delusion in the mind of the Author. Can the whole truth be stated? Let us see.

Demand is an act of the Mind only, and is the initial Incentive of Work: but Work is the Productive Cause of all labor-products and services whatsoever that gratify human desires.

This is the Truth, the whole Truth, and nothing but the Truth, so far as Production is the primary element in Economics.

When Macleod, therefore, says,—"That Labor is not in any way whatever the Cause of Value; or even Necessary to Value," I am tempted to say that he is afflicted with aberration of mind, or a sort of intellectual vertigo which blinds his mental vision to such a degree that he cannot see the Natural Laws that stare him in the face. Moreover, the statement is contradicted by the every-day experience of life, because every one knows that Work is the productive cause of all labor-products and services that gratify human desires.

He states less than the half of the Truth, and then palms it off upon the world for the whole Truth—the Product of the Science of Inductive Philosophy! And then, to substantiate his fallacies, with arrogant pride he quotes Lord Bacon's aphorism,—"What in Theory is the Cause, in Practice is the Rule."

That is to say—Demand is the Cause of Wealth, and Demand is the Cause of Value: therefore, Value is equal to x , $2x$, $3x$, $4x$, ad-infinitum, or 0 as the Demand is very great, or nothing.

In other words, the selfishness of human nature is the Cause of all Wealth, and determines the Price of all Commercial Values whatsoever. Therefore, "*The Value of any Economic Quantity is any other Economic Quantity for which it can be exchanged.*"

Hence Macleod gives us this singularly edifying deduction—Since mankind, all the world over, practice, in their commercial dealings with each other,—"Take all you can get," therefore, Economics is a Physico-Moral Science!

This is what he says:

"The business of the Economist is to determine the Laws of the phenomena of Exchanges."

Thus it is clearly seen to be a Physical Science: but it is also a Moral Science; because its Laws are based upon the *mores* of men. For we find that the same general laws of exchange hold good among all nations, among the rudest and the most civilized in all ages and countries. We find that the same causes are invariably followed by the same effects; and that is the reason why Economics may be raised to the rank of an exact Science: a permanent and universal science of the same nature as the Physical ones; because it is based upon principles of human nature which are found to be as permanent and universal as those of the physical substances upon which the Physical Sciences are based. And therefore it is a Physical Moral Science, and the only Moral Science which is capable of being raised to the ranks of an exact science.

— — —

We thus perceive that these conclusions are logically deduced from his Fundamental Premise, that:

"Wealth is anything whatever whose Value can be measured in Money: or which can be bought and sold; or exchanged."

Now, let us return to the Definition of Wealth which I gave above:

Wealth consists of all Labor Products and Services that gratify human desires, and whose Value can be measured with Work.

Now, What is Work? Is it not the expenditure of energy, or animal force in productive industry? When one works with his brain, or with his muscles, is not animal force evolved in either case? Is the animal force expended through the brain while at work, any different from the animal force expended through the muscles while at work? If not, can there be any difference between brain work and muscle work, so far as their essential essence is concerned;? Is not Work, in either case, simply expenditure of animal force? Certainly.

Therefore:—A True and Scientific Measure of all Labor-Products and Services is an Average Day's Work. Divide it into Hours and Minutes and we have the fractional Units.

Here we have a Measure which possesses the same Property and Quality as the thing to be measured. Hence it is perfectly Scientific, because it meets the requirements of a True Measure of all Labor-Products and Services whatsoever.

On the contrary gold and silver coins and Bank Bills are purely arbitrary measures; and are, therefore, as unfit to measure Work as a Pound Avoirdupois would be to measure the height of a mountain, or the depth of the sea.

Moreover, Macleod says there are three distinct orders of economic Quantities: (1) Material Products; (2) Labor or Service; (3) Rights to Property at some future time.

On the contrary, I have shown that there is but one Economic Quantity, viz.: Work. By Work mankind carry on ten thousand different trades and professions. There are not, therefore, ten thousand different kinds of Work, but only One Kind of Work having ten thousand different applications.

By this great truth, Economics is reduced to a very simple theory, and, "What in Theory is the Cause, in Practice is the Rule." Work is the productive cause of all labor-products and useful services; and, therefore, in practice, Work only is exchangeable.

Thus we have obtained a pure a-priori principle by which we can eliminate arbitrary prices and injustice from all commercial transactions.

This is the boon which all great moralists and religious thinkers have been seeking since the world began. Instead of harrowing competition, monopoly, and greed, which are the outcome of human selfishness, we need Natural Justice applied in all of the commercial relations of life. This is the supreme need of the times. It is absolutely fatal to the happiness of mankind if Justice be eliminated from Economics. But Macleod does not mention justice from the beginning to the end of his book. He does say, however, that "Jurisprudence is the Science of Rights." But nowhere does he speak of Justice as a component element in Exchanges. His book appeals entirely to the selfishness of the human nature. It is, therefore, a very dangerous book; subtle and misleading; for if his premises be accepted for

the Truth, his conclusions must be accepted also, because he is logically consistent. It is, therefore, my purpose to oppose the practical application of his Fundamental Principles.

I have said that an average day's work is a true measure of all Work or Service.

I must now explain what is meant by an average day's work.

There are two elements which enter into this Measure, viz.: The element of Time, and the element of Force. But as Time is commercially valueless, Force is the only Quality that is exchangeable. An average day's work may be determined, as follows:

Suppose there are ten thousand farmers who raise wheat, their conjoint product is 2,000,000 bushels, and their conjoint labor 50,000 day's work, ten hours a day. The average cost of a bushel of wheat would be four hours' work; and an average day's work would be $2\frac{1}{2}$ bushels.

One thousand diamond diggers work 300 days, ten hours a day, and produce 15,000,000 carats, two carats would thereby cost an average day's work.

Five thousand gold-diggers work 300 days, ten hours a day, and their conjoint product is 6,000,000 dwts. of gold. Four dwts. would be the product of an average day's work.

Hence the Value of $2\frac{1}{2}$ bushels of wheat = 2 carats of diamond = 4 dwts. of gold, because each of these economic quantities cost an equal amount of work to produce them. In the absence of accurate statistics, these illustrations convey the idea of an average day's work.

Now, since a true measure of anything must possess the same property and quality as the thing to be measured, how can we measure with money the Value of land, trees, stranded whales, diamonds, or the excreta of snakes? If these things cannot be measured with money, neither can any other natural product be measured with money. Therefore, all natural things are Priceless. This is a Law of Nature; and a law of nature is a Law of God.

The logic of this reasoning is simply this: When man arbitrarily puts a money value on land, or human capacity, or any other natural product to gratify his selfishness, he is flagitiously transgressing a Law of God. This is the supreme wickedness of the world.

If the mores of men—i. e. the commercial manners and customs of mankind, were righteous, there would be no need of moral and religious instruction. But because the manners and customs of mankind, in their commercial relations with one another, are notoriously unjust; therefore, the greater the need for moral and religious instruction. Natural Justice must be made known to men, or there can be no anchorage, no harbor of safety, no happiness for mankind in general, and no Politico-Moral Science.

Hence Macleod's attempt to erect Economic Science on his definition of wealth, or on the selfishness of human nature necessarily fails; because it does not secure to mankind Equity in commercial exchanges.

Macleod's Economics.

Continued.

IN the preceding paper I considered Macleod's endeavor to erect a Science of Economics on Aristotle's definition of wealth. "Wealth is any thing which can be bought or sold, and whose Value can be measured in money." Judging his definition by his own canon or rule, I proved it to be fallacious, and unfit to form the basis of the Science of Economics, by showing that his definition of wealth is not a true one, and that wealth cannot be measured in money.

I also showed that his statement that Wealth is caused by "Intensity of Demand" is not only not true, but is not so much as a half truth; since I proved that Demand is but the incentive of work, while work alone is the productive cause of all labor-products and useful services that gratify human desires, and whose Value can be measured with a unit of itself, viz:—an Average Day's Work. Having thus demolished the base of his pseudo science, I now proceed to examine his definition of Value, with the hope that I shall succeed in proving it, also, to be equally fallacious, and thereby overthrow the superstructure which he has so proudly erected.

On pages 252—254 the Author says: "Seeing that Labor and Utility altogether fail to stand the necessary tests of Inductive Logic as being the Cause of Value, what remains? In what consists the essence of Value? The only thing which ancient writers, Aristotle, the author of the *Eryxias*, the Roman Lawyers, and in modern times the Physiocrats, the Italian Economists, Smith, Condillac, Whately, J. B. Say, and hosts of others, have observed, is—Exchangeability. And what does Exchangeability depend upon? If I offer something for sale what is necessary in order that it should be sold? Simply that some one else should Desire and Demand it."

"Aristotle long ago said that it is Demand which binds society together: the author of the *Eryxias* over and over again points out that things are Wealth only where they are Demanded: and things are not Wealth where they are not demanded."

"Here it is quite clear that we have now got to the true Source, Origin, or Cause of Value: it is Demand. Value is not a Quality of an object, but it is an Affection of the Mind. Value in Latin is *Æstima-*

tio. The sole Origin, Source, and Cause of Value is Human Desire: when there is a Demand for things they have Value: when the Demand increases (the Supply being supposed the same) the Value increases: when the Demand decreases, the Value decreases: and when the Demand altogether ceases, the Value is altogether gone."

"Value, then, like Color, and Sound, and Odor, only exists in the Human Mind. There is neither Color, nor Sound, nor Odor, nor Value in external Nature: they exist only in Man."

"Hence we see that Demand is the sole Origin, Source, and Cause of Value. It is Demand, or Consumption, and not Labor, that gives Value to a product. It is not the Labor which gives Value to the product, but the Demand for the product which gives Value to the Labor. Hence, it is not Labor which is the Cause of Value, but it is the Value which is the Inducement to Labor: and it is not the Labor of the Producer which constitutes a thing Wealth, but the Demand of the Consumer."

Therefore—"The Value of any Economic Quantity is any other Economic Quantity for which it can be exchanged."

I now give a lucid example of what Macleod conceives to be a perfectly moral commercial exchange, in harmony with the above principles:

He says, (page 50,)—When our ships first traded to the South Sea Islands they took with them axes, beads, and other trifles, which were of very little value, in this country, and bartered them for all sorts of curiosities, shells, &c, which were very valuable in England. A pair of fine shells from the South Seas in many cases is worth ten guineas in England, which, perhaps, an English sailor obtained for an axe, which cost 2s. 6d. The English sailor thought the natives very simple to give away so many valuable curiosities for such common things. The natives probably also thought the sailors very simple to give away such valuable things as axes, beads, &c, for such common things as shells. Each party, however, exchanged what was common and cheap in his own country for what was scarce and valuable. The axes were many times more valuable in Feejee than the shells; the shells were many times more valuable in London than the axes. An English sailor gave away what cost him 2s. 6d., and gained in exchange what was worth ten guineas; and the difference was his

profit. Thus both parties gained by the exchange. The shells were worth many axes in London; the axes were worth many shells in Feejee; and this is the genuine spirit of commerce. The value of the shells in London arises from their scarcity, and the desire of the people in London to possess them, and their willingness to give a high price to gratify that desire. The value of the axe in Feejee arises from the scarcity of axes there, and the desire of the Feejeeans to possess them. The colored beads were just as valuable to the Feejeeans' as diamonds to Europeans. The commerce of all nations is exactly similar in principle to that between the sailor and the savages. It all consists in exchanging what is cheap and common in two countries for what is scarce and dear; and of course both parties must gain by the very nature of the transaction."

In harmony with this view of commercial morality Bastiat says:

"Whatever Two Persons Mutually Agree To, In A Matter Of Exchange, Is Just."

We thus perceive whence the author gains his definition of Wealth, and his definition of Value: namely, from the selfishness of the Human Nature. And upon This he claims to have erected a Science of Economics.

I have already shown that Macleod's definition of Wealth is a fallacy. If I can now show that his definition of Value is also a fallacy, then his boastful claim of having erected a perfect Science of Economics necessarily fails.

Wealth consists of all Labor-Products and Services that gratify human desires and whose Commercial Value can be measured with Work.

This definition is in harmony with the experiences of mankind, and with the nature of things. It is also in harmony with the fundamental conceptions of a perfectly Scientific Definition or Axiom: because it contains all that should be included, and excludes all that should not. Wealth possesses two qualities:—(1.) Utility. (2.) Exchangeability.

Value also possesses two qualities, viz.:—Utility and Exchangeability.

Value and Wealth are therefore interchangeable terms. A labor-product is neither Value nor Wealth when it has no power to gratify

human desire. And as Wealth cannot be measured with money; neither can Value, because Value is Wealth. Macleod's definition of Wealth consists of all exchangeable things which can be measured with Money. But as Money does not possess the same property and quality as Wealth, it cannot be a true measure of it. Neither can Money measure Value, because Value is Wealth.

Hence his boasted declaration that his definition of Wealth "is ... fitted to form the basis of a great Science" is a great fallacy, and as Value is Wealth, his definition of Value is as Mythical as his definition of Wealth. Therefore, the superstructure which he has so confidently erected necessarily falls, and there is not, as yet, a pure Science of Economics.

From the above considerations I infer that there is an irreconcilable conflict between the Selfishness of the Human Nature, and the Nature of Things. Man is at enmity with God. There can be no pure Science of Economics until we have determined what is the true basis of a Just exchange.

Macleod says (page 29,):—"There is a fundamental principle relating to Physical Science which is of the greatest importance in Economics. The special Idea or Quality which is the central one of the science, may appear in substances of the most unlike natures, and which agree in no other respect than in possessing that Quality. But all of these substances or natures, however unlike or dissimilar they may be in other respects, so long as they agree in possessing that single Quality on which the science is based must be reckoned as elements or constituents in that science."

Hence,—"The Quality which constitutes things Wealth, must be some single Quality of the most general nature: and the Science of Wealth must be the Science of the phenomena relating to that single Quality."

That single Quality which constitutes a thing Wealth, Macleod declares, is Demand: and since Value is Wealth, therefore Value is Demand: Hence the Science of Wealth must be the science of the phenomena relating to that single quality, viz: Demand.

Moreover, Macleod says (page 44,): "If it be possible to obtain a general philosophical rule, it must be applicable to all cases. It is the very test of the truth of rival theories to explain particular cases. There is no other way of testing their truth: and accordingly when

two apparently plausible theories have been brought to the trial, and one of them has failed to account for phenomena, it has invariably been rejected. A true theory therefore must account for all the phenomena of a science. It must be true in all classes of cases, and to any extent. A single case which can be shown to be absolutely irreconcilable with a theory must be fatal to it."

I now seize this trenchant weapon of Macleod' s brain to slay him. Last Summer I priced peaches in Fulton Market, New York. The first dealer said, "One dollar a basket." The second, the third, the fourth, the fifth, the sixth dealer said, "One dollar a basket." Peaches had come into New York by successive train-loads; they were very abundant and the Demand for them was very great. Now I ask, Why were they so uniformly one dollar A basket? Because the dealers had combined to sell them at that price. Therefore the Value of peaches was not determined by Demand, but by Monopoly.

Yankee sewing machines, for a series of years, sold uniformly at sixty-five dollars retail, in the United States. In Great Britain the same stamp of machine sold at thirty-five dollars retail. Was the Value determined by the Demand? or by the selfishness of the manufacturers and the middle-men?

Yankee clocks, which sell uniformly at four and five dollars each at retail, in the United States, are sold in Great Britain at retail, at half the price. Is their Value determined by Demand? or by the selfishness of the manufacturers and the middle-men?

There is a nautical tool, manufactured in New York, called a Taffrail Log; it is used to determine the speed of vessels at sea; the retail price of which, for a series of years, has been twenty-five dollars. Is the Value of these machines determined by Demand? or by the selfishness of the patentee and manufacturer?

Are Corners in wheat, cotton, petroleum, gold, coal, butter, quinine, or any other agricultural product,—the legitimate outcome of free trade, or the outcome of monopoly? Are 'watered' stocks the effect of Demand? or the effect of monopoly? Is the President's salary, or the salaries of Governors or Legislators determined by Demand? or by the selfishness of the stipendiaries themselves?

I might multiply examples of this character indefinitely, and even in Trades Unions show that wages are determined by monopoly and not by Demand.

Does Macleod's theory of Demand account for these phenomena? And yet he says: "A single case which can be shown to be absolutely irreconcilable with a theory is fatal to it."

Is not, therefore, his theory that Demand is the sole Cause of Value utterly annihilated by the above examples?

Having thus demolished his theory by his own weapons, I now return to the Definitions of Wealth and Value.

As Wealth and Value are interchangeable terms, since both imply useful labor-products and services that gratify human desires; it logically follows that Work is the philosophical principle pervading all Wealth and all Values, and not Demand, which must ultimately become the only recognized Quantity on which to erect a true Science of Economics.

An Average Day's Work is therefore the Unit of Measure of all Labor-Products and Services whatsoever. It must be borne in mind that the Utility of any labor-product, or any useful service, or any natural product is absolutely incommensurable by money. Therefore, in the nature of things Utility is Priceless and Valueless, and cannot be counted as a commercial Quantity in the Science of Economics or as a thing which can be exchanged, bought, or sold. If a price be put on the utility of any labor-product, or any useful service, or any natural, thing, it is purely arbitrary and, therefore, Unlawful.

As a logical sequence of this great truth there is nothing left to be exchanged but Work. Therefore, it is the only Quantity which can, by any possibility, form the basis of the Science of Economics. The universe is priceless: and what is true of the whole universe is logically true of its parts.

Thus do we see that Wealth' and Value are Work conserved to human uses; and that Work only can be exchanged.

Now, Macleod says that, Economics is a Physical-Moral Science—physical, because it deals in material things which can be measured with money; and moral, because all mankind, he alleges, exchange wealth on the basis of Demand. I now propose to show that Justice, and not Demand, is the true basis of all commercial exchanges, and that Work is the true measure.

Let us now determine the Value of the whale which was stranded on the Firth of Forth, and which sold for £70 as it lay there on the beach.

Macleod claims that the whale has Value or Wealth because it sold for £70, when no human being had touched it. Suppose that no human being, subsequently to the sale, had taken out the oil and the whalebone by Work, where would be the Wealth or Value of the whale? Demand paid £70 for it, but did Demand get £70 worth of whalebone and oil out of it without Work? Then what is the Cause of Wealth or Value? Is it Demand or Work? Can we conceive of Wealth or Value without Work? If we cannot, then the whale was Valueless as it lay there on the beach untouched by human hands. Consequently it was not Wealth. But the moment the first blow was struck into the whale to extract the bone and oil Wealth began: and when all of the bone and oil had been taken out of it, the Wealth or Value obtained resided in the Work wrought into the product. Hence Work is Wealth or Value, and not Demand. Idleness cannot produce Wealth, neither can Demand produce Wealth. But Work produces Wealth or Value, and it is the only Quantity, in the nature of things, that can produce it. Therefore, the Value of the bone and oil is the amount of work wrought into the product, and that is its Natural Value, and the natural value is the Equitable Value, and the equitable Value is the only Value ordained of God by which mankind should establish commercial exchanges. Hence Equitable Value = Equitable Price.

The author alleges that "In 1810 an oak tree was cut down at Gellenas in Monmouthshire, whose bark sold for £240, and the wood for £670: was this Value due to Labor?"

No! It was due to the arbitrary selfishness of the human nature. That sale was a transgression of Natural Law: because it sold for £910, when there was not a particle of Value or Wealth in the tree. Suppose that not a soul on the planet ever did a stroke of work; would there be any Wealth? How then could there be any Value or Wealth in the tree when no Work had been done upon it? But the moment work begins, wealth begins; and if the work be continued until the bark and wood are transformed into products adapted to gratify human desires, then the total amount of value or wealth wrought out of the tree, equals the total amount of Work done; and

the Work done is the Equitable Price of the product. While, therefore, human needs or Demand is the provoking Cause of Work—Work is really, and solely, the productive Cause of all Values and all Wealth.

Again the author queries: "There are cattle, herds and flocks of all sorts. These increase and multiply by the agency of nature. How is their Value due to Labor? "

There is no more Value or Wealth in them than there is in a wild boar, if they have not been housed, superintended, fed, and adapted to human uses. Hence the Value of flocks and herds depends upon the amount of Work expended in caring for them, and preparing them for consumption: and the total amount of work done is their Commercial Value, and their Commercial Price.

The Author says: "Some time ago when it was the fashion of European ladies to pile large masses of hair, termed Chignons, upon their heads in imitation of their swarthy sisters of Central Africa, it was not uncommon for a girl's fine head of hair to sell for £5: was the Value of the girl's hair due to Labor?"

No! It was due to the selfish competition of fashionable women, who were willing to pay an arbitrary price for the hair to gratify a whim. But the arbitrary price was not the natural price. The Natural Price of the hair, while on the head of the girl, was nothing. There was no Wealth there because there was no Work to produce it. But the Wealth in the hair began when the shears were first applied to it, and the subsequent Work done to make it a marketable commodity constituted its Wealth or Value. When a Price is arbitrarily put upon human hair, it is a transgression of the Law of Nature, which makes human hair priceless, and commercially valueless. But when human hair is moulded into jewelry, or an object of beauty for commercial purposes, then it becomes Wealth; and the total amount of work wrought into it constitutes its Value or Price.

It is immoral to put a money Value on the works of God. Natural Things are necessarily incommensurable with money; they are therefore Priceless, and commercially Valueless.

The circumstances which require that a girl should sell a beautiful head of hair to buy bread, or to save herself from a life of prostitution, are horrible. And such circumstances are the logical outcome of

the selfishness and injustice of the human nature, the logic of Demand.

The Author again says: "If Labor be the sole Cause of Value, then all things produced by the same Quantity of Labor must be of equal Value."

"But this is contrary to all experience. For if it were true, a diamond and the rubbish it is found in ought to be of the same Value. So a pearl and its shell ought to be of equal Value!"

How facetious and philosophical is our author!

The Koh-i-noor, the Crown Jewel of England, weighed $793\frac{5}{8}$ carats when it was dug out of the ground. It now weighs $106\frac{1}{16}$ carats in its finished state. An unwrought diamond is as Valueless as mud. It is only when Work has been wrought upon it in digging it out of the earth, transforming it into an object of beauty, or in using it for mechanical purposes, that it acquires Value or becomes Wealth. The more Work is bestowed upon it, the more Valuable it becomes; and when it is finished for consumption, or for the market, its Wealth is the total amount of Work wrought into it. All the Demand of all the rich men on the planet, bidding in competition for it, could not increase its Value one jot or tittle. The rubbish and chips cut from the raw diamond are as Valueless as the chips which fell beneath Power's chisel while he moulded his matchless Greek Slave.

To allege that Demand is the sole Cause of Value, is to affirm that Wealth can be produced without Work as a basic principle, which is a manifest fallacy and contrary to all experience. Hence the Koh-i-noor, as it lay in the ground, was as priceless and valueless as a newly discovered gold mine, the gold of which is neither Value nor Wealth until it be dug out of the earth and formed to gratify human desires. Hence arbitrary prices put upon diamonds is a transgression of Natural Law, which cannot be justified of Reason, whatever the selfishness of the human nature may do. The selfishness of the human heart is at enmity with God.

Again the author says:—"The space of ground upon which a City is built has great Value: but which is in no way the result of Labor."

"Land in the heart of London has often been known to sell for more than £2,000,000 an acre: quite exclusive of any buildings upon it. But no Labor has been bestowed on it."

Granted: and what does this prove? Does it prove that Demand is the sole Cause of Value? It shows that the selfishness of the human heart is at enmity with God, and the nature of things. It also shows that the author is oblivious of the fact that by the ordination of the Almighty—Land is as priceless and valueless as gravity, air, or sunlight. Two million pounds sterling for one acre of Land! The statement is both startling and appalling!

Who ordained that Land should be sold at the enormous figure of two hundred and twenty-five dollars per square foot? Moses declares prophetically,

*"The Land shall Not Be Sold Forever, For The Land Is Mine,
Saith The Lord."*

But who has heeded the words of wisdom? We hear much about the exceeding sinfulness of sin; but the sale of Land is not so much a sin, as it is the sin of sins. If no one had any more Land than he could individually and economically use without the aid of others, would Rent be possible? If the farmer, the market gardener, the manufacturer, the mechanic, and the laborer had no more Land than he could use without help from others, how would Rent be possible? What, then, is the Cause of Rent? Is it Demand or Monopoly? The author says it is Demand which causes Land to sell, in the heart of London, at the enormous figure of two hundred and twenty-five dollars per square foot. I declare the contrary: It is Monopoly only which is the Cause of Rent, and the Sale of Land.

The monopoly and sale of Land is the prolific mother of innumerable evils. It produces artificial class distinctions by creating on the one hand a body of landlords and aristocrats, a privileged class, protected By laws of their own making, and on the other hand millions of plebeians whose very existence depends upon the sufferance of the rich few.

Henry George, in *Progress and Poverty*, has demonstrated that the monopoly of land is the Cause of Rent—that landlords absorb the major part of the world's wealth. Two millions pounds sterling paid for an acre of land is an evidence of the absorbing power of land monopoly. This enormous sum of money is gained by the landlord without having done a single stroke of work, or a useful service to any human being. Ten million dollars gained in this way would ab-

sorb the product of one thousand men, working $16\frac{2}{3}$ years, at two dollars a day.

Mr. W. B. Astor is the reputed owner of six thousand houses in the City of New York. If we assume the average rent to be five hundred dollars a year, his annual gross income would be three million dollars. This enormous rent would absorb the work of five hundred first class mechanics for ten years, each working at four dollars a day. Here are but two cases out of millions of cases of a like character. Consider London, Paris, St. Petersburg, Berlin, Vienna, Constantinople, Peking, and New York—the absorbing power of Rent, in these cities alone, is utterly appalling in its magnitude.

If, in addition to this, we consider the absorbing power of Rent throughout the whole world, its poverty engendering effects among the wage workers of every nation, added to this the suffering, the wretchedness and the agony of despair which the evictions and exactions of landlords produce—the heart palls and sickens while we contemplate the facts. And yet Macleod essays to erect a Science of Economics out of the selfishness which produces these horrible conditions!

But land monopoly is not only the cause of rent, it is also the cause of profit or increase. When men are obliged to pay rent, they are compelled to take every commercial advantage they can of their fellows to meet it, and obtain the gratification of their desires. Hence we have patent monopolies, railroad monopolies, manufacturing monopolies, telegraph and telephone monopolies, bank monopolies, grinding competition, adulteration and fraud as the logical effects of land monopoly.

Moreover, interest on loans is also a sequence of the same fundamental cause. When rent and profit are demanded, then interest is possible for the same selfish reasons. If landlords can gain rent, and merchants profit, why should not money lenders gain interest?

Thus it is that the entire social fabric is steeped in immorality. And the immorality which permeates society every where, is the all-pervading desire to gain something for nothing. The landlord gains something for nothing; the merchant gains something for nothing; and the interest-taker gains something for nothing. The Protectionist victimizes the people of his own nation; and the Free Trader victimizes the foreigner. Hence the disposition of mankind everywhere is to

take advantage one of another. The grab game is universal. There is no Equity in Commerce.

Nowhere on the planet are exchanges made on the basis of the service rendered, or the work done. No one dreams of doing business in this way. Everybody is looking inwardly to selfish ends; and to do this, is to gain more work from another than is given in exchange. This is the way riches are made. If A can gain two day's work from B, in exchange for one day's work, then A is enriched by the amount of one day's work at the expense of B. In other words, A has gained one day's work for nothing. And if A can keep up the business of gaining one day's Work for nothing every day in the year, at the expiration of the year, A is enriched to the amount of one year's work at the expense of others, and the victims, by this system of injustice, are poorer by one year's work.

No one ever asks the question, in an exchange, How much work is wrought into that hat? into that pair of boots? into that suit of clothes? into that furniture? into that medicine? into that legal service? into that sermon? into that music? into that opera? into that house? or into that machine?

No landlord, when he makes his rent bill, ever estimates his rent by the destruction of his house, which is the destruction of work. But justice requires that the landlord demand no more of the tenant than the replacement of the work destroyed by the tenant. For if the landlord gains any more work than this, he gains something for nothing, at the expense of the tenant. This is immoral, because it is unjust.

A tailor makes a suit of clothes in six days, and the cloth cost two day's work to produce it; then the suit of clothes is worth eight day's work. If, however, the tailor adds two day's work for profit, he is guilty of an immorality, an act of injustice, because he gains two day's work for nothing, by selling the suit for ten, when it really cost but eight day's work. Hence the party who buys the suit is victimized to the amount of two days work.

The owner of a cotton mill knows, to the fraction of a day's work, the value of the cotton cloth produced in one week: because he knows how much wages have been paid, and the number of hands employed. It is therefore just as easy to determine the value of one yard of cloth by the work required to produce it, as it is to determine its value in dollars and cents. If to this cost be added the value of the

wear and tear of machinery, and the value in work of the service rendered by the mill owner, the total value of one week's product of cotton goods is readily determined. Any profit therefore which may be added to the natural cost of a yard of cotton cloth, is robbery, because it is taking something for nothing.

A money lender loans on ample security \$1,000, at ten per cent, interest. At the end of a year the borrower returns the principal, and the interest which amounts to \$100. One hundred dollars of interest represents one hundred dollar's worth of work done. If a day's work be equal to four dollars, then the lender gained twenty-five day's work for nothing, because he gave no work in exchange for the interest received.

Interest is a method of gaining riches at the expense of others, and is therefore immoral. "In the sweat of thine own face shalt thou eat bread," and not in the sweat of another. This is the universal Law of God.

Hence the three typical methods of gaining wealth without work are by rent, profit, and interest or dividends. Now since land monopoly is the cause of rent, and rent the cause of profit, and profit the cause of interest or dividends—it logically follows if there were no land monopoly, rent would be zero. Consequently, if the base of the social structure be destroyed the superstructure falls. In other words abrogate land monopoly and rent, profit and interest would cease as men become righteous. Then every man and woman would be free to pursue happiness agreeably to their own will; and the hardest worker, expenditures being equal, would be the richest person in every community. This would be in harmony with Natural Justice, the converse of which is now the deplorable condition of mankind. Those who do the least work are too frequently the richest persons in every community, while those who work the hardest are too frequently the poorest. These are the victims of rent, profit and interest, and constitute the vast majority of every nation. If every industrious man and woman, boy and girl, who work for wages, gained as much work in the things they buy as they give for their wages, none would be poor. Hence Justice would satisfy everybody and produce peace.

The logic of this reasoning culminates thus: The Value of a bushel of wheat, an ounce of gold, a house, a steamship, a telegraph plant, a railroad, a sermon, a poem, a picture, a discovery, or a book, is

measured by the amount of Work wrought into it. And the value of any service whatsoever, be it medical, surgical, mathematical, scientific, legal, literary, or philosophical— is also determined by the amount of Work done. And the value of coins, bank bills, promissory notes, checks, drafts, bonds, mortgages, and all other evidences of debt—is determined by the amount of Work they righteously represent. "Intensity of Demand" cannot by any possibility increase their value or the wealth they naturally contain or represent. Because Work is the only quantity that produces wealth, and is therefore the only righteous measure of it.

When the United States Government, in 1863, persistently refused against wise entreaty, to make Treasury Notes, or Greenbacks, a tender in payment of all public dues, it was guilty of inexcusable and cruel perfidy. This piece of iniquitous legislation has cost the nation untold millions of dollars, glaring national corruption, and transformed Wall Street into a den of unscrupulous thieves and public robbers. When a government dishonors its own paper, it is simply despicable. And yet there are journalists who prate with religious horror about the payment of the national debt in Greenbacks; and yet have nothing to say of the unsurpassable meanness of depreciating them by refusing to honor them in three particulars.

On January 1, 1879, the day that greenbacks were honored for duties on imports, they immediately rose to par with gold, and no one now wants the gold for domestic exchanges. This fact proves that Treasury Notes issued in times of war or peace, to the extent of the National Budget, or the annual needs of the government, and made receivable for all public Dues never would depreciate. And now that Greenbacks are at par with gold, no moral reason can be given why the national debt should not be paid with them. To prate of honor is more than absurd—it is bad economy. What the nation needs, is honesty and consistency. By all means possible pay the national debt in Greenbacks!

What I have said of the National Budget I would say of the State budgets respectively. The National Government should issue all the currency, and each State should have as much currency allotted to it as its own honest budget amounts to, and be made receivable for all State dues. Such a currency would expand and contract with the needs of the General Government, and with the needs of the States

respectively. Moreover, being issued without interest it would be an unprecedented national blessing, and all of it would be at par with gold or silver dollars; and being definite in quantity there could be no inflation, except through dishonesty.

Such a currency, however, should not be a promise to pay dollars on demand, or at some indefinite time in the future; but should simply state on its face that—The United States, or the State — — — of will pay to bearer the Value of One (or more) Dollars, in work or service; the gold or silver dollar, being taken as the arbitrary measure of work or service.

This, however, is not a perfectly scientific currency, because it does not accurately measure work. A perfect currency is one which will do this beyond the possibility of a doubt. An Average Day's Work is a perfectly scientific Unit of measure of all work. But as the world is not yet ready for such a currency, I shall make no further remarks on it.

When bank depositors shall have become sufficiently wise to require the administration of pure Economics in banking, they will then demand a system which will practically prevent speculative gambling, revulsions and bank panics. The remedy is simple. All moneys deposited in banks should remain on deposit until withdrawn by the depositors. The service of safe keeping and check collecting rendered by the banker should be paid for by the depositors. The cost of the service would not exceed, perhaps, one quarter of one per cent, or twenty-five cents on a hundred dollars. As all revulsions and bank panics are caused by lending other people's money on interest, and on all sorts of collateral securities, it is obvious that to remove the cause is to apply the remedy. Interest is the cause of bank loans or discounts. Abolish interest and the immorality in banking, and the cause of bank panics are gone forever. So long as depositors allow bankers to lend their deposits on interest, this unrighteous temptation for unholy gain will ever remain a prolific cause of revulsions and commercial disasters. God's law of Justice must obtain in banking as in all other commercial transactions, or His wrath, with all its vexatious punishments, is inevitable. But the punishments fall disastrously on the least guilty, or upon those who have not the remotest conception that they are *participes criminis*. For he who tacitly con-

sents to a loan for the interest thereby gained, is as guilty of immorality as the lender. Therefore, to abrogate the cause of bank panics, and their dreadful sequence of simultaneous bankruptcies and enforced idleness among the industrial masses, is but to religiously observe and obey the will of God.

In conclusion, we see that Demand is not the sole cause of value, but is the inciting or provoking cause of work: while work is the productive cause of all wealth and values which are equitably exchangeable.

We also see that Work is the constant economic quantity which enters into all Values. It is therefore the only quantity which can be numerically measured by a unit of itself. An average day's work is therefore the only true measure of work. Divide the average day's work into hours and minutes, and we then have the fractional units by which to measure all work less than one day's work. And since all wealth and all useful services are produced by work, it is therefore the only Economic Quantity which can be used in the erection of the Science of Economics.

We also see that natural things are incommensurable with money, and among these are man's mental and physical endowments. Hence arbitrary prices demanded for human capacity mental or physical, land, mines, forests, water courses, and all other natural things—are transgressions of Natural Law.

We also see that these transgressions produce caste and artificial distinctions among mankind, when there should be none so far as natural opportunities are concerned. Each individual is naturally entitled to perfectly free access to the land, and all other natural things to the extent of his needs without price. This is the rightful, natural and just claim of every human being. Consequently the improvements he makes upon the land, the houses he builds, and the things he produces, and the work he does are the only quantities which have commercial value. And their Value is determined always by the amount of work wrought into them. Competition or monopoly cannot righteously increase their commercial value one jot or tittle. Any increase caused by monopoly, competition or demand to the natural cost of any product or service, is an unrighteous increase, because no moral reason can be given for it. It is therefore Robbery.

We likewise see that land monopoly thwarts justice, by producing innumerable evils, the chief of which are rent, profit and interest with their logical effects—poverty for the many and riches for the few. Therefore the responsibility which attaches to the Rich to do all that lies in their power to remove the artificial distinctions and the injustice which everywhere crushes mankind, is a very grave and imperative responsibility. It is within the power of the rich, and the noble in intellect and heart, to take hold of these grave matters and prevent an avalanche of blood and horror, which is inevitable if they do not voluntarily stop the grind of injustice and oppression which now afflict mankind. The power and influence of the Clergy for good cannot be estimated if they would give Political Economy that profound consideration which the importance of the subject demands. There can be no settlement of the labor question until Justice be gained.

The Fallacies *in Progress and Poverty.*

MY object in reviewing *Progress and Poverty* is to set forth, as concisely as possible, what the author has clearly demonstrated to be true, and to criticize him where he is vulnerable. While I venture to do this, I deem it a great book, since it contains truths given in a masterly fashion, such as no other political economist, I have read, has thought of or expressed. But its truths are but a partial solution of the great problem it undertakes to solve. And the author's remedy I deem utterly impracticable and unjust. Therefore do I venture to criticize him, for by so doing I hope to render the cause of truth a valuable service.

Progress and Poverty is subdivided into ten books. Each book treats of a particular theme, and agreeably to the author's opinion they are naturally correlated into one harmonious whole.

Book I. treats of wages and capital, and the question which the author essays to solve is this:

"Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?"

The answer which the current political economy gives is that, wages are determined by the number of laborers and the amount of capital devoted to their employment, and constantly tend to the lowest amount on which laborers will consent to live and reproduce, because the increase in the number of laborers tends naturally to overtake the increase of capital.

Mr. George combats this theory in a vigorous and matter of fact way, by showing that in all new countries where capital is comparatively scarce, interest and wages are high; while in old countries, where capital is abundant, wages and interest are low. These facts completely annihilate the theory that wages are determined by the number of laborers and the amount of capital devoted to their employment.

Having upset the theory that wages are determined by the number of laborers and the amount of capital employed, Mr. George then proceeds to show:—

"That wages, instead of being drawn from capital, are in reality drawn from the product of the labor for which they are paid."

The current theory is that, there must be an accumulation of capital before labor can be employed. But the facts are diametrically opposed to the theory. For the theory implies the absurdity that capital could be accumulated before any work was done. All wealth is the product of work, and all capital must therefore be a part of the accumulated wealth of every nation. But as between the employer and the employee, where do the wages come from?

In all production the universal rule is that work must precede the payment of wages, or no wages would or could be paid. Hence the deduction—"That wages, instead of being drawn from capital, are in reality drawn from the product of the labor for which they are paid."

Mr. George, however, is not satisfied with an argument by deduction to prove his proposition to be true, but, in a truly scientific spirit, proceeds to show that it is true in an elaborate argument by induction. That is to say, he starts with the beginnings of production and traces them up to the more elaborate and complicated methods which now obtain in the manufacturing and commercial world. But before he does this he takes up the words, wealth, capital, rent and wages, and accurately defines them agreeably to his own will, so that he may not be misunderstood.

Wages are—Whatever is received as the result or reward of exertion.

Wealth, he says, Consists of natural products that have been secured, moved, combined, separated, or in other ways modified by human exertion, so as to fit them for the gratification of human desires. Nothing which nature supplies to man is wealth.

Capital, he says, Is that part of wealth which is devoted to the aid of production, nothing that is freely supplied by nature can be properly classed as capital.

Land, he says, Is the whole material universe outside of man himself.

We are now prepared to follow the author's argument by induction to prove that wages are drawn from the product of the laborer and not from capital.

He says, "If I devote my labor to gathering bird's eggs or picking berries; the eggs or berries I thus get are my wages. Surely no one will contend that in such a case wages are drawn from capital. There is no capital in the case. An absolutely naked man, thrown on an island where no human being has before trod, may gather bird's eggs or pick berries."

"Or if I take a piece of leather and work it up into a pair of shoes, the shoes are my wages, the reward of my exertion. Surely they are not drawn from capital—either my capital or any one else's capital—but are brought into existence by the labor of which they become the wages; and in obtaining this pair of shoes as the wages of my labor, capital is not even momentarily lessened one iota. For, if we call in the idea of capital, my capital at the beginning consists of the piece of leather, the thread, &c. As my labor goes on, value is steadily added, until, when my labor results in the finished shoes, I have my capital plus the difference in value between the material and the shoes. In obtaining this additional value, my shoes, how is capital at any time drawn upon?"

The next example he gives is where one works for another and receives his wages in kind.

"If I hire a man to gather eggs, to pick berries, or to make shoes, paying him from the eggs, the berries, or the shoes, that his labor secures, there can be no question that the source of the wages is the labor for which they are paid.

The farming of land on shares, which prevails to a considerable extent in the Southern States of the Union and in California, the Metayer system of Europe, as well as the many cases in which superintendents, salesmen, &c, are paid in a percentage of profits, what are they but the employment of labor for wages which consist of part of its produce?

The next step in the advance from simplicity to complexity is where the wages, though estimated in kind, are paid in the equivalent of something else. For instance, on American whaling ships the custom is not to pay fixed wages, but a 'lay,' or proportion of the catch, which varies from a sixteenth to a twelfth for the captain down to a three-hundredth to the cabin boy. ... Can any thing be clearer than that these wages—this oil and bone which the crew of

the whaler have taken—have not been drawn from capital, but are really a part of the produce of their labor? And if they are paid in money, after the catch is sold, it is but the equivalent of the bone and oil.

"Now, is not what may be seen in all such cases the identity of wages in money with wages in kind—true of all cases in which wages are paid for productive labor? Is not the fund created by the labor really the fund from which the wages are paid?

Production is always the mother of wages. Without production, wages would not and could not be. It is from the produce of labor, not from the advances of capital that wages come.

Here is a blacksmith at his forge making picks. Clearly he is making capital—adding picks to his employer's capital before he draws money for it in wages.

Here is a machinist or boiler maker working on the keel-plates of a Great Eastern. Is not he also just as clearly creating value—making capital? The giant steamship, as the pick, is an article of wealth, an instrument of production, and though the one may not be completed for years, while the other is completed in a few minutes, each day's work, in the one case as in the other, is as clearly a production of wealth, an addition to capital. In the case of the steamship, as in the case of the pick, it is not the last blow, any more than the first blow, that creates the value of the finished product—the creation of value is continuous, it immediately results from the exertion of labor.

So that the wages paid to the blacksmith and the shipwright are simply an exchange of one form of product for another; that the money paid in wages is the product of the sales of merchandise previously produced by wageworkers.

And so we shall find in every branch of production. Capital has never to be set aside for the payment of wages when the produce of the labor for which the wages are paid is exchanged as soon as produced.

Hence the author concludes that—"The man who works for himself gets his wages in the things he produces, as he produces them, and exchanges this value into another form whenever he sells his produce. The man who works for another for stipulated wages in money,

works under a contract of exchange. He also creates his wages as he renders his labor, but he does not get them except at stated times, in stated amounts and in a different form. In performing the labor he is advancing in exchange; when he gets his wages the exchange is complete. During the time he is earning the wages he is advancing capital to his employer, but at no time, unless wages are paid before work is done, is the employer advancing capital to him."

'Tis useless to multiply examples. Against all opposition Mr. George maintains his ground. Even where groceries and clothing are advanced in anticipation of the wages to be paid for them, capital is not advanced, because capital is that part of wealth which is devoted to production, and not that part which is devoted to consumption. "The precise time of the payment of wages is immaterial," says Mr. George; "the essential point, the point I lay stress on is that it is after the performance of the work."

Hence the demonstration is complete, the proposition is maintained—"That wages, instead of being drawn from capital, are in reality drawn from the product of the labor for which they are paid."

The important deduction derived from this demonstration is this: "If wages are drawn, not from capital, but from the produce of labor, the current theories as to the relations of capital and labor are invalid, and all remedies which look to the alleviation of poverty either by the increase of capital or the restriction of the number of laborers, or the efficiency of their work, must be condemned."

If each laborer in performing the work really creates the fund from which his wages are drawn, then wages cannot be diminished by the increase of laborers, but, on the contrary, as the efficiency of the labor manifestly increases with the number of laborers, the more laborers, other things being equal, the higher should wages be.



Book II. treats of Population and Subsistence, and the question the author discusses is:

"Do the productive powers of nature tend to diminish with the increasing drafts made upon them by increasing population? "

Mr. George answers this question with an emphatic negative and proceeds to answer the theory of Malthus which affirms the absurdity that:—

"Whatever be the capacity for production, the natural tendency of population is to come up with it, and, in the endeavor to press beyond it, to produce that degree of vice and misery which is necessary to prevent further increase; so that as productive power is increased, population will correspondingly increase, and in a little time produce the same results as before."

Mr. George maintains that nowhere is there an instance, in any stage of civilization, that will support this theory. That the vice and misery attributed to overpopulation can be traced to "warfare, tyranny and oppression" which prevent the retention of the product of the laborer in his own possession. Go where you will, into India, China, Ireland, Egypt, Russia, Germany, England, anywhere, yea, even in the United States, and like causes produce like results. The masses are robbed by bad governments, by landlords, and by increase, and that in no case can vice and misery be traced to the niggardliness of nature, or to the increase of population over the means of subsistence.

In conjunction with these facts Mr. George shows that the analogies adduced in support of the theory are not true. He says: "The strength of the reproductive force in the vegetable and animal kingdoms—such facts as that a single pair of salmon might, if preserved from their natural enemies for a few years, fill the ocean; that a pair of rabbits would, under the same circumstance, soon overrun a continent; that many plants scatter their seeds a hundred fold, and some insects deposit thousands of eggs; and that every where through these kingdoms each species constantly tends to press, and when not limited by the number of its enemies, evidently does press, against the limits of subsistence—is constantly cited, from Malthus down to the text books of the present day, as showing that population likewise tends to press against subsistence, and, when unrestrained by other means, its natural increase must naturally result in such low wages and want, or in such actual starvation, as will keep it within the limits of subsistence."

Mr. George maintains that the analogy is not valid; because it is from the vegetable and animal kingdoms that man gains his food;

and since the reproductive force in these two kingdoms is much greater than the reproductive force in man, therefore the increase of population cannot exceed the means of subsistence. It is a fact: every where observable, that all kinds of fruits, cereals, vegetables, fishes and animals, multiply a thousand fold faster than man. Moreover, by the application of man's inventive genius and skill he can mightily increase everything needed for the gratification of his desires. Unlike the wild beast which lives upon, and is supplied by, the wild product of bounteous nature, man's capacity to produce is limited only by Nature's capacity to furnish the raw material. Man is correlated to the remotest star. He draws from everywhere. There is nothing he does not utilize. Even weeds contain virtues which he will one day know and use. Man will never lack for anything he may need, by reason of the niggardliness of Nature, until the resources of the planet on which he lives are exhausted, which can never be. To suppose otherwise is to impeach the wisdom of God. We may therefore dismiss the Malthusian doctrine as absurd, since it is not in harmony with the facts, and is opposed by the nature of things.

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Book III. We are now prepared to trace the causes which produce poverty in the midst of increasing wealth. Book III., which treats of The Laws of Distribution, pretends to have done this. We will now proceed to examine it.

In the first book the author has clearly shown that all wages are paid out of the product of the worker. And in the second book he has shown that population does not increase faster than the means of subsistence. Then the cause of poverty in the midst of increasing wealth must be found in its distribution.

That part of wealth which goes to land-owners for the use of land, Mr. George calls Rent; and that part of it which goes to capital he calls Interest.

He says that "Rent is the price of monopoly, arising from the reduction to individual ownership of natural elements which human exrtion can neither produce nor increase."

Were it possible for man to monopolize sunlight, air and water, he would as surely do it as he now monopolizes land to gratify his unholy selfishness. Think for a moment, of the monstrous immorality

of selling sun-light, air and water ! Taxing mankind for the use of these free gifts, the bountiful provisions of God ! And yet it is just as monstrous, in a moral point of view, to sell land, as it would be to sell sunlight or air, and equally flagitious to rent it for increase.

Mr. George says—"Rent is the price of Monopoly"—which he illustrates substantially as follows: We will suppose that a certain piece of land will produce, on the average 100, by the application of a given amount of work and capital, and that this land is private property. Adjacent to it is some free land, which we will call the margin of cultivation, and by the application of the same amount of work and capital will produce but 80. The difference between 100 and 80 is the rent which will have to be paid to the owner of the first piece of land. The rent will therefore be one-fifth, or 20 per cent, of the product.

If the same amount of work and capital applied to manufactures will produce on the free land, or the margin of cultivation, 90; then agriculture will rush to manufactures until, by competition, the equilibrium is restored. If manufactures produce less than can be gained by agriculture on the free land, or the margin of cultivation, then manufactures will rush to farming until, by competition, the equilibrium is again restored.

The same principle applies to city lands as obtains in agricultural lands. A building lot in the heart of a city will bring a much higher rent than a lot of equal dimensions on the border. If a business planted on a lot in the heart of a city will produce 100, and the same amount of work and capital applied to a business on a lot on the border will bring but 50, then the rent for the lot in the heart of the city will be 50.

The difference between the total product of work done, in any country, and what is paid for rent, determines what is left for wages and capital. In other words, the product which is realized by the same application of work and capital to the poorest lands, or lands on which there is no rent, determines the amount of the total product of work which is paid to landlords.

Hence wages, and interest for capital, do not depend upon the product of work and capital, but upon what is left after rent is paid; or what they could gain without paying rent from the margin of cultivation, or the poorest land in use. Therefore, no matter what may be

the increase in productive power by the application of machinery and the division of labor, if the increase of rent keeps pace with it, neither wages nor interest can increase.

Mr. George wherefore says: "The moment this simple relation is recognized, a flood of light streams in upon what was before inexplicable. ... The increase of rent which goes on in progressive countries is at once seen to be the key which explains why wages and interest fail to increase with increase of productive power. For the wealth produced in every community is divided into two parts by what may be called the rent line, which is fixed by the margin of cultivation, or the return which labor and capital could obtain from such natural opportunities as are free to them without the payment of rent. From the part of the produce below this line wages and interest must be paid. All that is above goes to the owners of land. Thus where the value of land is low, there may be a small production of wealth, and yet a high rate of interest and wages, as we see in new countries. And, where the value of land is high, there may be very large production of wealth, and yet a low rate of interest and wages, as we see in old countries. And, where productive power increases, as it is increasing in all progressive countries, wages and interest will be affected, not by the increase, but by the manner in which rent is affected. If the value of land increases proportionally, all the increased production will be swallowed up by rent, and wages and interest will remain as before. If the value of land increases in greater ratio than productive power, rent will swallow up more of the increase; and while the produce of labor and capital will be much larger, wages and interest will fall. It is only when the value of land fails to increase as rapidly as productive power, that wages and interest can increase with the increase of productive power. All this is exemplified in actual fact."

This reasoning, and the facts thus set forth by Mr. George, develop this important revelation, viz: That the monopoly of land is the cause of universal competition in its virulent form; and also the cause of other monopolies, and of interest.

Having thus developed the origin of Rent, we will now examine Mr. George's theory of the origin of Interest. It is in the discussion of this question that he is unscientific, illogical and absurd. I regret it ex-

ceedingly. For he is one of the finest writers and logical reasoners on political economy it has been my fortune to read. Like all other political economists I have read, excepting Mr. Macleod, he has failed to stick logically to his definitions and premises. He has therefore gone astray and arrived at very erroneous and misleading conclusions. These things I shall show as we proceed with his argument.

He first essays to find the cause of Interest as follows: "Why should interest be? Interest, we are told, in all the standard works, is the reward of abstinence. But manifestly, this does not sufficiently account for it. Abstinence is not an active, but a passive quality; it is not a doing—it is simply a not doing. Abstinence in itself produces nothing. Why, then, should any part of what is produced be claimed for it? If I have a sum of money which I lock up for a year, I have exercised as much abstinence as though I had loaned it. Yet, though in the latter case I shall expect it to be returned to me with an additional sum by way of interest, in the former I will have but the same sum, and no interest. But the abstinence is the same. If it be said that in lending it I do the borrower a service, it may be replied that he also does me a service in keeping it safely—a service that under some conditions may be very valuable, and for which I would willingly pay, rather than not have it; and a service which, as to some forms of capital, may be even more obvious than as to money. For there are many forms of capital which will not keep, but must be constantly renewed; and many which are onerous to maintain if one has no immediate use for them. So, if the accommodator of capital helps the user of capital by loaning it to him, does not the user discharge the debt in full when he hands it back? Is not the secure preservation, the maintenance, the re-creation of capital, a complete offset to the use? Accumulation is the end and aim of abstinence. Abstinence can go no farther and accomplish no more; nor of itself can it even do this. If we were merely to abstain from using it, how much wealth would disappear in a year? And how little would be left at the end of two years? Hence, if more is demanded for abstinence than the safe return of capital, is not labor wronged? Such ideas as these underlie the wide-spread opinion that interest can only accrue at the expense of labor, and is in fact a robbery of labor which, in a social condition based on justice, would be abolished." This reasoning is unanswerable except in one point.

Is it true that a lender renders a service to a borrower? If William lends a jack-plane to John who wears it out by use, what does justice require of John? Common sense responds by saying—"John must return to William another jack-plane in as good condition as the one he borrowed." Is that a complete answer? No. Why incomplete? Because, in order that the transaction be perfectly just, John must lend to William some article of utility of equal value with the jack-plane and for the same length of time. When this is done, justice is perfectly satisfied. But he who lends does no service to the borrower, because he does no work. A loan is only an accommodation and not a service. If John had returned to William a new jack-plane and a day's work besides, William would have received a day's work for which he had given no equivalent. William would therefore have been enriched, at the expense of John, to the amount of one day's work, which would be manifestly unjust. And if William had not received a similar accommodation from John, but had received a new plane, he would have lost nothing. Both would have stood exactly in the same relative position as they were before the loan was made. How, then, can interest be justified? Is it equitable? There is nothing in this illustration to show it to be. What, then, is the cause of interest? See what Mr. George says:

"All wealth is not of the nature of planes or money, nor is all production merely the turning into other forms of the mere inert matter of the universe. It is true that if I put away money, it will not increase. But suppose, instead, I put away wine. At the end of a year I will have an increased value, for the wine will have improved in quality. Or supposing that in a country adapted to them, I set out bees; at the end of the year I will have more swarms of bees, and the honey which they have made. Or, supposing, where there is a range, I turn out sheep, or hogs, or cattle; at the end of the year I will, upon the average, also have an increase.

Now what gives the increase in these cases is something which, though it generally requires labor to utilize it, is yet distinct and separate from labor—the active power of nature; the principle of growth, of reproduction, which every where characterizes all the forms of that mysterious thing or condition which we call life. And it seems to me that it is this which is the cause of interest, or

the increase of capital over and above that due to labor. There are, so to speak, in the movements which make up the everlasting flux of nature, certain vital currents, which will, if we use them, aid us, with a force independent of our own, in turning matter into the forms we desire—that is to say, into wealth.

If wealth consisted of but the inert matter of the universe, and production of working up this inert matter into different shapes, then interest would be but the robbery of industry, and could not long exist.

But because Nature has the power to transmute new wine into old wine; of increasing a flock of sheep one year into two flocks the next year; of increasing a herd of cattle one year into two herds the next year; of increasing a calf to an ox; of increasing one swarm of bees to several swarms of bees: of increasing one grain of wheat into an ear of wheat; therefore, this power of nature to increase, combined with the element of time, constitutes the basis, or cause of interest to capital. And, therefore, Mr. George says:

"In any circle of exchange, the power of increase which the reproductive power of nature gives to some species of capital must average with all; and he who lends or uses in exchange, money or planes, or bricks, or clothing, is not deprived of the power to obtain an increase, any more than if he had lent or put to a reproductive use so much capital in a form capable of increase.

Thus interest springs from the power of increase which the reproductive forces of nature ... give to capital. It is not an arbitrary, but a natural thing; it is not the result of a particular social organization, but of laws of the universe which underlie society. It is, therefore, just."

Did I not believe that Mr. George was an honest man, I should say he was a moral coward, in that he dares not give the logical deductions of his own brain, for fear that Capital would utterly crucify him for giving it no moral ground in justification of the taking of interest or increase.

How different is his process of reasoning to prove that interest is "just," as compared with his inductive method of proving that wages were drawn from the produce of the laborer, and not from capital!

And how much it differs from his scientific demonstration that the monopoly of land is the cause of rent! It is impossible for me to account for this illogical aberration of his reasoning faculty. It must be borne in mind that he has not adduced a single fact in support of his conclusion that interest is derived from the reproductive forces of nature. It is merely an assumption on his part, on which he reasons elaborately without giving a single fact in commerce to show that his assumption is true.

I shall now endeavor to show that all of his reasoning on interest is fallacious, and is caused by his utter failure to stick to his own definitions and fundamental premises.

Mr. George says:—"Land is the whole material universe outside of man."

"Wealth consists of natural products, modified by labor, so as to fit them for the use of man."

"Capital is that part of wealth used in reproduction. Nothing which nature supplies to man is wealth or capital."

And with Adam Smith he holds that—"The produce of labor is the natural recompense, or wages of labor."

Now if land be neither wealth nor capital; it is, therefore, necessarily excluded, by the definition, from the category of things having a commercial and exchange-able value. Yet, Mr. George has made so egregious a blunder as to declare that the basis of interest is the transmuting and reproductive forces of nature. But the transmuting and reproductive forces of nature are included in his definition of land. It logically follows, therefore, that all natural forces are excluded from all of those things which constitute wealth or capital. Hence all natural forces have no commercial value whatever because they are neither wealth nor capital; and, therefore, cannot be the basis or cause of interest.

What, then, is the cause of interest? Let us see if it be not land monopoly.

In Book IV., c. 2, Mr. George has presented a beautiful picture of a village growing up, in an unbounded savanna, around a solitary farmer. This village becomes a town, and the town becomes a city. In this description of an increasing population the author traces the progress of rent. But with a singular fatality, for so fine a thinker, he has utterly overlooked the real cause of Interest, which, according to Mr.

George's definition, "is the return which capital can secure, less insurance and wages."

On the principle that man seeks to gratify his desires with the least exertion, the merchant, tradesman, or manufacturer, who is obliged to pay rent for the use of land, will necessarily put the rent, or distribute it in the price of the merchandise he sells. And if he have to pay interest on borrowed money and taxes they, also, are distributed in the annual sales of merchandise. And the only limit to the merchant's, trader's, or manufacturer's selfishness is what buyers are willing to pay, or what competition will allow. Therefore, Rent is the cause of what is commonly called profit.

If one should go to a money lender to borrow money on ample security without interest, the lender would look on the borrower, perhaps, with amazement or indignation, and would be likely to exclaim—"Do you suppose I shall lend you money for your special advantage for nothing? If you purpose to invest it so as to enable you to gain a large profit, you ought to be willing to share with me a portion of your income by reason of the benefit you will receive from the use of my money." That argument suffices and the borrower agrees to pay an amount of interest which is satisfactory to the lender, or what competition among money lenders will allow.

If a borrower of money, or other form of capital, could gain no profit by its use, he could pay no interest except at a loss to himself. Business men do not borrow on those conditions. They always do it with the expectation of making larger gains than the interest they are obliged to pay. Hence the truth that Profit is the basis of interest.

Now, as the volume of rents is determined by the margin of cultivation, or by competition among those who desire to occupy monopolized lands; and as competition largely dominates and determines the profits of manufacturers, merchants and tradesmen; and since competition also fixes the rate of interest on capital, except in case of monopoly, what becomes of Mr. George's theory that interest is caused by the transmuting and reproductive forces of nature? Evidently his theory is a mere assumption, not having even the merit of a single fact by which to establish it as a principle or law.

We thus perceive that mercantile facts inductively prove that rents, profits and interest are caused by the monopoly of land. Moreover, rents would be impossible and inconceivable were there no monop-

oly of land. And since the monopoly of land is the fundamental cause of monopoly and competition in the commercial world, Poverty, in the midst of Progress and multiplied wealth, cannot be eradicated except by removing the unrighteous cause which produces it. Therefore, the only logical and legal thing to do, is to repeal all of the defensive laws which protect the land monopolist in his selfish iniquity.

As land monopoly is the foundation of modern civilization, with its extremes of squalor and wretchedness on the one hand, and pyramidal luxury and extravagance on the other, what would be the effect of a general repeal of the laws which defend it?

It would utterly annihilate the possibility of any large accumulation of wealth in the hands of the few. It would force upon the world equitable co-operation and distribution of the products of work; and this stupendous mountain of social injustice, cruelty, and anti-christianity, inherent in modern civilization, would crumble to atoms, and be to the historians of the future what ancient Jerusalem, Egypt, and Babylon are to the historians of the present, viz: The dust, and ashes, and remains of a barbarous civilization.

Mr. George, like Mill, Ricardo, and others, maintains that Land, Labor and Capital are the three factors in production. That land is a factor in production no one will dispute, since production would be impossible without it. And it is equally evident that if man did not apply his brains and hands to the land, no production could be had. But that capital is a factor in production that merits reward by unearned increase, I most emphatically deny.

If that part of wealth not used in production is not entitled to increase, why should capital have any? Both are the product of work; and since the produce of work is its natural recompense, how can capital justly claim unearned increase? Is not the produce of capital as much the natural reward of work, as that part of wealth not used as capital? How, then, can interest be justly claimed for capital, and no interest be claimed for wealth not used as capital? If one be entitled to increase why not the other, since both are the natural recompense of work?

The great fallacy that underlies Mr. George's reasoning is the assumption that capital can produce. The truth is that capital can produce nothing without the superintendence of man. Capital, therefore,

is nothing more nor less than multiplied hands and brains applied in production. But capital without superintendence is as powerless to produce as a stone. In fact it would decompose, by the corrosive power of the elements, a thousand times quicker than a stone were it not economically managed. A cotton mill, which is a huge pile of capital, if left without superintendence for three years, would be almost worthless. So would a steam-ship, or any other useful machine. When, therefore, capital and labor combine in production, the product is the natural recompense of the work expended. And the natural value of the product is determined, not by the market price which, under present conditions, is purely arbitrary and fictitious, but by the amount of work required to replace the wear and tear of machinery, &c, plus the work wrought into the product. Therefore, if any interest be claimed for capital, a moral reason must be given for it. But as no moral reason can possibly be adduced why interest should be paid, it logically follows that interest is robbery, and that capital is entitled only to its conservation or replacement.

Contrast this reasoning with that of Mr. George, who says:

First.—"That it is not capital which employs labor, but labor which employs capital."

Second.—"It is manifest that under conditions of freedom the maximum that can be given for the use of capital will be the increase it will bring, and the minimum or zero will be the replacement of capital; for above the one point the borrowing of capital would involve a loss, and below the other, capital could not be maintained."

If the produce of work and capital combined be the natural reward, and the value of the product is the total amount of work expended in its production, how is increase possible? I have already shown that interest is caused by profit; that profit is caused by rent; and that rent is caused by the monopoly of land. Therefore, where there is monopoly of land freedom is absolutely impossible. All are slaves to landlords. But remove the causes of rent, profit and interest and all mankind would be perfectly free, and perfectly equal so far as natural opportunities for the pursuit of happiness are concerned. Under perfect conditions of freedom no one could afford to pay increase, because none could gain it. In perfect freedom the element of injustice or advantage-taking would be eliminated from all exchanges. Rent

would be impossible, consequently every form of increase would also be impossible, except to a very limited degree. And instead of the wage system, as we now have it, we should have social arrangements by which every man, woman and child would be the supreme monarch of what each produced without diminution by the exactions of rent, profit and interest.

In Book V. Mr. George shows that the primary cause of recurring paroxysms of industrial depression and the persistence of poverty amid advancing wealth are not caused by over-production, and under-consumption, but by speculation in land. On this point he says:

"That land speculation is the true cause of industrial depression is, in the United States, clearly evident. In each period of industrial activity land values have steadily risen, culminating in speculation which carried them up in great jumps. This has been invariably followed by a partial cessation of production, and its correlative, a cessation of effective demand, (dull trade,) generally accompanied by a commercial crash; and then has succeeded a period of comparative stagnation, during which the equilibrium has been again slowly established, and the same round been run again. This relation is observable throughout the civilized world. Periods of industrial activity always culminate in a speculative advance of land values, followed by symptoms of checked production, generally shown at first by cessation of demand from the newer countries, where the advance of land values has been greatest."

He also maintains that the speculation in, and the absorption of the land by the few, and the consequent increase in land values, makes it harder and harder for every child born into the world to gain its livelihood with its own hands. For with every youth comes a pair of hands to feed its mouth and clothe its back, provided that nature's storehouse of means are not withheld from him. And with every pair of hands comes increased power of production. For any one can see that every soul, with an average healthy body and mind can at least earn its own living and add somewhat to the aggregate wealth of the world and the weal of man. Why, then, this constant increase of poverty amid the increase of wealth? This monstrous and distressing anomaly Mr. George has clearly shown is caused by the monopoly of the land.

"Everywhere, in all times, among all peoples, the possession of land is the basis of aristocracy, the foundation of great fortunes, the source of power. As said the Brahmins, ages ago."

"To whomsoever the soil at any time belongs, to him belong the fruits of it. White parasols and elephants maa with pride are the flowers of a grant of land'."

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In Book VI., Mr. George sets forth his remedy for increasing poverty amid increasing wealth, as follows:

"There is but one way to remove an evil—and that is to remove its cause. Poverty deepens as wealth increases, and wages are forced down while productive power grows, because land, which is the source of all wealth and the field of all labor, is monopolized. To extirpate poverty, to make wages what justice commands they should be, the full earnings of the laborer, we must therefore substitute for the individual ownership of land a common ownership. Nothing else will go to the cause of the evil—in nothing else is there the slightest hope.

This, then, is the remedy for the unjust and unequal distribution of wealth apparent in modern civilization, and for all the evils which flow from it.

We must make land common property."

The equal right of all men to the use of land is as clear as their equal right to breathe the air—it is a right proclaimed by the fact of their existence. For we cannot suppose that some men have a right to be in this world and others no right.

The wide spreading social evils which every where oppress men amid an advancing civilization, spring from a great primary wrong—the appropriation, as the exclusive property of some men, of the land on which and from which all must live. From this fundamental injustice flow all the injustices which distort and endanger modern development, which condemn the producer of wealth to poverty and pamper the non-producer in luxury, which rear the tenement house with the palace, plant the brothel behind the church, and compel us to build prisons as we open new schools.

The recognition of individual proprietorship of land is the denial of the natural rights of other individuals, it is a wrong which must show itself in the inevitable division of wealth. For as labor cannot produce without the use of land, the denial of the equal right to the use of land is necessarily the denial of the right of labor to its own produce.

The right to exclusive ownership of any thing of human production is clear. No matter how many the hands through which it has passed, there was, at the beginning of the line, human labor—some one who having procured or produced it by his exertions, had to it a clear title as against all the rest of mankind, and which could justly pass from one to another by sale or gift. But at the end of what string of conveyances, or grants, can be shown or supposed a like title to any part of the material universe? To the improvements such an original title can be shown; but it is a title only to the improvements, and not to the land itself.

But it will be said: There are improvements which in time become undistinguishable from the land itself! Very well; then the title to the improvements becomes blended with the title to the land; the individual right is lost in the common right.

"Yet, it will be said: As every man has a right to the use and enjoyment of nature, the man who is using land must be permitted the exclusive right to its use in order that he may get the full benefit of his labor. But there is no difficulty in determining where the individual right ends and the common right begins.

The value of land, as we have seen, is the price of monopoly. It is not the absolute, but the relative, capability of land that determines its value. No matter what may be its intrinsic qualities, land that is no better than other land which may be had for the using, can have no value. And the value of land always measures the difference between it and the best land that may be had for the using. Thus, the value of land expresses in exact and tangible form the right of the community in land held by the individual; and rent expresses the exact amount which the individual should pay to the community to satisfy the equal rights of all other members of the community. Thus, if we concede to priority of possession the undisturbed use of land, confiscating rent for the benefit of the com-

munity, We reconcile the fixity of tenure which is necessary for improvement with a full and complete recognition of the equal rights of all to the use of land."

Thus have I quoted Mr. George at great length in order that I might present the exact idea he wishes to express as the basis of his remedy, which I will illustrate as follows:

Suppose two adjacent farms of equal dimensions having unequal qualities of soil, one being rich and the other comparatively poor, on which the same amount of capital and labor are employed, each being equally well managed, but the average produce of the one is 100, while the average produce of the other is but 60. Now the difference of productive power between the two farms is therefore 40. Hence, in the language of the author, "It is not the absolute, but the relative, capability of the land that determines its value." If, therefore, the value of the produce of the one farm be \$1000, the value of the produce of the other will be \$600. Hence the rentable value of the better farm would be \$400, while the rent of the other would be zero, assuming it to be free land.

Now, the difference in the productive power of two such farms is what John Stewart Mill calls "the unearned increment." It is what nature does over and above what man does. It is this which Mr. George would confiscate for the benefit of the community. It is this he would tax and put into the common treasury for the public good. It is this that would equalize incomes. It is this from which Mr. George derives his preposterous idea of interest. It is this that would produce justice, peace, plenty, prosperity and happiness throughout the world!

I know of no proposition, projected by any thinker, for the removal of poverty amid increasing wealth, more absurd or unjust than this. By what right, human or Divine, does Mr. George tax out of the general product the unearned increment? How, in the nature of things, can he claim that the transmuting and reproductive forces of nature are justly taxable property. He has declared that land is the whole material universe, and that it is neither wealth nor capital. How, then, can he tax it, since it is not property in any sense? How can land be property any more than lightning, sunlight, or rain? If an individual can not have property in land, how can the community, or

the State? It is readily seen how one can have property in what he produces, but how can one have property in what he does not and can not produce? If land be the whole material universe outside of man himself; how can it, or any part of it, be property? He admits that land is made for use and not for ownership. How then can it be property? If one dig clay out of the ground and mould it into bricks, has he property in the clay? or only in the work he has put into the clay? Is the sun that paints the photographer's picture property, or only the work which he himself has wrought into it? Are the winds that blow our ships from ocean to ocean, or fill the sails of a wind-mill, property? Is that productive force in the animal kingdom which makes a flock of sheep one year, two flocks the next year, property? Does the astronomer who uses the sun, moon and stars, own them? Or is the navigator, who guides his ship by them, both by night and by day, the rightful possessor of them? If land be the whole material universe, how can one have property in the planet on which he lives, and no property in the rest of the universe? If man can have property in the earth, why not in the heavens to which man is so closely correlated? Can man have property in himself? in his own powers, physical, intellectual, emotional and moral? In a word, can one have property in anything he does not do? or in any thing he does not produce? Then how can the individual, the community, or the State, have property in land? Wherein, then, consists the wisdom of this paragraph?

Mr. George says: "Would not the land be cultivated and improved just as well if the rent, (namely, the unearned increment,) went to the State or municipality, as now, when it goes to private individuals? If no private ownership in land were acknowledged, but all land were held in this way, the occupier or user paying rent to the State, would not land be used and improved as well and as securely as now? There can be but one answer: Of course it would. Then the resumption of land as common property would in nowise interfere with the proper use and improvement of land."

Is it not clear that Mr. George is thoroughly muddled? That he is mixing premises, and is thereby drawing unphilosophical and unscientific conclusions? Has he not proven that the monopoly of land is the cause of rent? Why, then, does he now assume that it is the unearned increment which is the cause of rent?

The great bug-bear, the thing Mr. George does not know how to dispose of, is John Stewart(?) Mill's "unearned increment." It is this that has deflected his reasoning faculty. He does not know what to do with it. Hence he says, let the State become the landlord, and then tax the unearned increment and appropriate it as rent paid to the State.

Can there be, in production, an unearned increment? I plant a potato in the ground. The sun warms it, and the rains fall upon it. It buds and grows. I weed it. I hoe it. It grows to be a large plant. I clean it of parasites. And the reproductive forces of nature cause ten potatoes to grow where I planted one. Whose potatoes are they?

My neighbor plants a potato, and cares for it as I did for mine. He worked no more than I, and used no more capital or skill, but he harvested fifteen potatoes while I harvested but ten. Whose potatoes are they? Mr. George says: Wages are whatever is received as the result or reward of exertion. How, then can he, in equity, appropriate for the benefit of the State, my neighbor's excess of five potatoes, over and above what potatoes I received as my wages? 'Is not' this proposition, for removing poverty amid increasing wealth, monstrously unjust and strikingly illogical, viewed in the light of his fundamental premise that—"The produce of labor is the natural recompense or wages of labor?"

To show that I do not misrepresent him I will quote the words he used in conversation with the corresponding editor of the "Newcastle-on-Tyne Chronicle," (England). He said—

"Rent paid to the State would be a payment by the individual user to the community for a special privilege: which the community accorded him, and it ought to be fixed so that there may be taken from the individual user and turned into the common fund, what in political economy is termed 'rent;' that is to say, the income which any particular piece of land will yield to the application of labor and capital, over the ordinary rewards which the same application of labor and capital would otherwise obtain. This would put all members of the community on the same plane. The natural rewards of labor and capital, and that income which arises from special natural opportunities, or from the growth and progress of the community, would go to the community at large. In other words, the people as a whole would take what John Stewart

Mill called 'the unearned increment' in the value of the land, while to individuals could be left that value which their individual exertions produce."

What is it "that would put all members of the community on the same plane" and leave to individuals that value which their individual exertions produce? It is simply this: Tax the excess of my neighbor's potatoes. This is Mr. George's grand panacea for removing poverty amid increasing wealth!

Had Mr. George beheld this natural law that—

The exchangeable value of all labor-products and services is justly determined by the amount of work wrought into them—

He would have had no trouble whatever over the unearned increment. He would have seen clearly enough that my ten potatoes, and my neighbor's fifteen potatoes, "had precisely the same exchangeable value, because the same amount of skill, labor and capital had been expended in their production. The only economic quantity which enters into all production, and all useful services, and all exchanges—is Work. It is the only quantity which can, by any possibility, enter into commercial exchanges. Therefore, my neighbor's fifteen potatoes and my ten potatoes had precisely the same exchangeable value.

It will be said—"No one will give as much work for ten, as for fifteen potatoes. On what principle of exchange would you dispose of your inferior crop? "I should be obliged to sell them for two-thirds of their just value. And the wisdom I gain from this experience is this: Never plant potatoes in inferior soil, but always plant them in soil which will, on the average, yield as many potatoes to the acre, as that of your neighbor's, other things being equal.

This reasoning proves, conclusively, that there is no such thing possible as an unearned increment. The produce of work is the natural recompense of work.

Therefore, Mr. George's scheme, for taxing an increment which does not exist, that incomes may be equalized, that the State may become the landlord instead of the individual—is an impracticable dream, a vain and idle fancy.

To tax one class of producers, for the benefit of another class, would be manifestly unjust. It would be equally flagitious to do the same thing to equalize incomes. How, then, shall we gain justice,

that poverty may cease amid increasing wealth? I shall conclude my criticism of *Progress and Poverty* by answering that question.

Conclusion.

Mr. George has clearly demonstrated three things. He has shown that wages are not drawn from capital, but from the produce of the worker; that the Malthusian doctrine, that population increases faster than the means of subsistence, is a fallacy; and that rent is caused by the monopoly of land. He has utterly failed, however, to prove' that interest is caused by the reproductive forces of nature; or by the unearned increment. The cause of his failure, in this particular, is attributable to his having dropped the purely scientific method of investigation. He put on the glasses of the pure speculator. By seeing through them darkly he lost his foothold, and fell. I have picked him up right where he stumbled, and have shown that rent is the cause of profit; that profit is the cause of interest; and that rent, profit and interest are, conjointly, caused by the monopoly of the land.

Before we can properly remove an evil, we must first, by careful analysis, determine its cause. The cause of poverty, in the midst of increasing wealth, is land monopoly, as Mr. George has irrefutably demonstrated. Therefore, to stop poverty among industrious people, we must stop land monopoly. How shall we do this? The method ought to be the method of peace, and not that of war, particularly in a nation where the ballot is in every man's hand. The first great and almost insuperable obstacle which stands in the way of reform, is unrighteous selfishness. The second great obstacles in the way of reform, are the defensive laws, backed by the power of the State, which uphold the monopoly and sale of land. Were not this giant iniquity—the monopoly of land—sustained by the power of the State, there would be but one obstacle to remove, viz:—The ignorance and perverted moral sense of mankind.

Two things, therefore, need doing, First, the removal of ignorance; and, Second, The repeal of obnoxious laws. The removal of ignorance can be gained by general agitation and discussion in the churches and colleges; and, also, by the general diffusion of thought, on these themes, through the press. When the people shall have acquired an educated conscience in this way, then the ballot can be intelligently used to repeal obnoxious laws, and establish such other laws as are in harmony with justice.

The effect of such a revolution as this, would cause rents to tumble down to zero; or, in other words, to the wear and tear of property and taxes. For as soon as the defensive laws are repealed which protect the monopolist of land, that moment will all unused and unoccupied land, now held for speculation, be opened for occupancy by the landless. And since there are thousands and tens of thousands of lots, in and around our great cities, which are now unoccupied and unused, there would begin a demand for them such as the world has never seen. But the rush need not be a disorderly one. For it might be previously arranged by law, or by mutual consent, that all persons who desire to occupy a given plot of land, should be there at a given hour and day, and then let lots be drawn to determine who should have it, and to whomsoever the lot fell it should be his for use. And so of all other lands which may be unoccupied or unused.

The effect of such a reform would be well nigh miraculous. For so many men, having families and some means, would gladly go to these chosen lots and forthwith cause to be erected their own cottages however humble they might be, which would necessitate the vacation of all the houses they had been paying rent for. The consequences would be that all the houses they had left would stand humbly begging for tenants, when landlords would be glad to let their houses to any one who would keep them in order and preserve them from decay, or sell them at a just valuation.

An objector to this plan might ask: "Would not your scheme work a grave injustice to all who had bought lands for speculation, and who live from the income derived from such investments?" No! For he who gains an income which enables him to live without work, is either a thief or a robber. An income gained at the expense of others, is always an immoral act—an act of injustice. Therefore, no injustice can, by any possibility, work to any one who may be deprived of the means of gaining an income which he does not earn in the sweat of his own face. The monopoly and sale of land are a grave injustice which cannot be defended on moral ground. He who has thus selfishly, though innocently, invested his money for unholy gain, when the day of reformation comes, may make up his mind to lose it as gracefully as possible. Stolen goods bought by an honest man, may be taken by the owner without compensation. So lands and mines monopolized for unrighteous gain may be confiscated for the com-

mon good. The mills of the gods grind slow, but they grind to the end that justice may be gained. Landlords must be taught to voluntarily relinquish rents which exceed the wear and tear of property, since they cannot, in any way, give a moral reason for increase. And statute law must be made to conform to Moral Law.

This scheme of Justice will necessarily supersede Mr. George's plan of taxing the unearned increment and appropriating it by the State. As there is no such thing as an unearned increment in production, the State will have nothing of the kind to appropriate. Consequently Mr. George's plan falls through default of means.

The Fallacies In *Social Problems*.

IMMEDIATELY after the completion of the above paper, I read with profit Henry George's second book entitled, *Social Problems*. As space and purpose will not permit me to dwell on the general contents of the book, I cannot refrain from saying a few words more on what he conceives to be the "Law of Rent."

Better far would it have been had he not dignified rent by endeavoring to show that it originated in natural law. Rent is robbery. Hence it never should be dignified by saying it had its origin in natural law; for this is virtually charging the Supreme Being with its production, when in fact it is the outcome of ignorance and greed.

On page 295 he says:

"This is the law of rent: As individuals come together in communities, and society grows, integrating more and more its individual members, ... there arises, over and above the value that individuals can create for themselves, a value that is created by the community as a whole, and which attaching to land, becomes tangible, definite, and capable of computation and appropriation. As society grows, so grows this value, which springs from, and represents in tangible form, what society as a whole contributes to production, as distinguished from what is contributed by individual exertion. By virtue of natural law ... all social advance necessarily contributes to the increase of this common value; to the growth of this common fund."

Mr. George thus maintains that there is a value that "is contributed by individual exertion," and a value "which is created by the community as a whole." Here, then, are two kinds of value in a treatise on Economics that is supposed to be scientific; and this is—"By virtue of natural law."

I recognize but one Value in Economics, viz—Value in Exchange. There is no other estimable value; and, therefore, there is none other which we need to consider. To assume that there are two values is to be unscientific. Now, let us examine Mr. George's theory of value

that he alleges is created by the community as a whole, in contradistinction to that which is produced by individuals.

Suppose that in the heart of a city five hundred men have assembled upon an acre lot, that is to be sold at auction to the highest bidder. The bidding begins at \$10,000 and ends at \$1,000,000. Has any value been created? If so it must have been created by the community as a whole, since it was not created by any particular individuals. But in what does this value consist? Is it caused by the integration of individuals who have done no work? If this were so, then value can be created out of nothing. But this is incredible and impossible. Is land Value? If it is, then it is wealth. But Mr. George says land is not wealth: therefore it is not value according to his definition. Hence this value, which "society as a whole contributes to production," must be an abstraction, a myth. He says, however, it is "tangible, definite and capable of computation and appropriation." And, "By virtue of natural law ... all social advance necessarily contributes to the increase of this common value; to the growth of this common fund."

However intense demand may be, it cannot produce this "common fund." Demand did not produce the lot, neither did it produce the dollars paid for it. Whence, then, this "common fund" which is the product of "the law of rent?" Evidently there is none. Nature prohibits it. Analysis denies it. Hence it is a pure fiction. And his "law of rent" is just as mythical as his "common fund."

If, then, there be no common fund, how can it be tangible, definite and capable of appropriation? I deny the existence of it. Hence there is nothing for society to appropriate, through taxation, which is Mr. George's remedy for landlordism.

Wealth or Value cannot be produced without work. The million dollars paid for the hypothetical lot were the product of work, if they were honest dollars, which is the hypothesis in this example. Consequently they were not the product of society as a whole; they were the product of previous individual exertion. And the lot which sold for a million was purely an arbitrary sale, arising from the competitive selfishness of the human nature, and not in consonance with natural law; for land is naturally and economically valueless by the ordination of the Supreme Being. Man's selfishness alone is the cause of this transgression. Hence Mr. George's common fund, and

common value are purely figments of the imagination. There never was a theory more utterly devoid of essential truth than John Stewart Mills' "unearned increment," or Mr. George's "common value," or "common fund."

The corollary to this truth is simply this—the State has nothing to tax from the landlords. All that the State can legitimately do is to prohibit by law the monopoly and sale of land. Or in other words, repeal all the defensive laws that protect this iniquity. Having repealed the defensive laws, then co-operate to the end that landlords be paid no more for rent than the replacement of property destroyed by the tenant, including equitable taxes. Rent, when it is increase, is Robbery.

A single example taken from—"Land Nationalization, Its Necessity and Aims"—by Alfred Russel Wallace, London, England, will suffice to show the evil which British landlords are able to do when protected by defensive laws:—

" To the Editor of the Echo."

"Sir.—Through the medium of your valuable columns allow me space to explain my grievance. Two years ago I purchased a house on the Portman Estate (eighteen years lease,) at £10. 10s. per annum. I spent more than £300 to put it into tenantable repair, thinking that I should get a renewal at a fair ground rent. I applied, and the agent came to inspect the premises, and a few days after sent me the terms as follows:—

"Lease for 34 years—ground rent to be £80 instead of £10; fine £1,000 renewal, to be paid from the day of application, or 5 per cent. interest on the £1,000 from that date, which would be principal and interest for eight years, £1,400; improvements to be done as stated in agreement, amounting to about £500, before a new lease is granted; all Viscount Portman's solicitors fees to be paid by me. For the simple drawing of this agreement I paid £15. The last year of the 34 year's lease the house to be redecorated throughout; the property to be insured by me in the Portman Fire Office. Upon remonstrating at the exorbitant terms, I received a letter from the agent that I could accept them or not, but in the event of my not accepting I should not have any further opportunity of applying.

Now, Sir, what right can the landlord have to take away my house? He has never spent one penny towards its improvement. Of course the ground has increased in value, but that is through the trades-people, and not through the landlord. The ground rent is increased eight times; then what right has the landlord to demand £1,400 for a house that I bought, and what right has he to dictate improvements that I have to pay for, so that after the expiration of a few years he may get larger premises, and another larger premium, without him spending a fraction, not even to pay the solicitor for getting the money? It seems incredible that people endure such extortion without seeking redress. I trust that others who are suffering the same wrong will come forward, so that effective action may be taken to alter the law, which beggars trades-people to enrich the aristocracy."

Englishwoman,
Baker St., Oct. 26."

Whoever reads this letter and does not feel rising within him the keenest sense of moral indignation, must have a conscience so seared by contact with the world and its unrighteous methods, that the rays of God's justice and righteousness cannot penetrate his hardened soul. A highway robber pointing a pistol at the head of this "Englishwoman," and demanding £2,295, or her life, would not be more guilty of a heinous crime than this lordly Portman who demands it under cover of law. She can gain no redress through the law. The landlord's will is supreme. He who holds the land is monarch of all he surveys. The Englishwoman must comply with the demands of her robber landlord or vacate the premises.

If she comply, from whom will she gain the £2,295 to gratify the tyranny and greed of her landlord? There are but two sources whence it can be obtained: from her patrons by the exaction of profit; and from her employees by reducing wages to the lowest point through competition, and by exacting from them the utmost work through long and weary hours. Thus it is that landlordism complicates and multiplies injustice, until there is nothing left from one's toil but destitution, want and misery. In confirmation of this conclusion I give some examples taken from a pamphlet published by "The London Congregational Union," entitled:

"The Bitter Cry of Out-Cast London."

"A child seven years old is known easily to make 10s. 6d. a week by thieving, but what can he earn by such work as match-box making, for which 2¼d. a gross is paid, the maker having to find his own fire for drying the boxes, and his own paste and string? Before he can gain as much as the young thief he must make 56 gross of match-boxes a week, or 1,344 a day. It is needless to say that this is impossible, for even adults can rarely make more than an average of half that number. How long then must the little hands toil before they can earn the price of the scantiest meal?"

"Women, for the work of trowser finishing, (i. e. sewing in linings, making button-holes, and stitching on the buttons,) receive 2½d. a pair, and have to find their own thread. We ask a woman who is making tweed trowsers, how much she can earn in a day, and are told one shilling. But what does a day mean to this poor soul? Seventeen hours! From five in the morning to ten at night—no pause for meals."

"For making men's shirts these women are paid 10d. a dozen; lawn tennis aprons, 3d. a dozen; and babies' hoods, from 1s.6d. to 2s.6d. a dozen."

"In St. Georges-in-the-East, large numbers of women and children, some of the latter only seven years old, are employed in sack-making, for which they get a farthing each."

"In one house was found a widow and her half-idiot daughter making palliasses at 1¾d. each."

"Here is a woman who has a sick husband and a little child to look after. She is employed at shirt finishing at 3d. a dozen, and by the utmost effort can only earn 6d. a day, out of which she has to find her own thread."

"My master"—says one man visited by a recent writer in the *Fortnightly Review*—"gets a pound for what he gives me 3s. for making." And this it is easy to believe, when we know that for a pair of fishing boots which will be sold at three guineas, the poor workman receives 5s. 6d. if they are made to order, or 4s. 6d. if they are made for stock."

An old tailor and his wife are employed in making policemen's overcoats. They have to make, finish, hot-press, put on the buttons, and find their own thread, and for all this they receive 2s. 10d. for each coat. This old couple work from half past six in the morning until ten at night, and between them can just manage to make a coat in two days."

"Here is a mother who has taken away whatever articles of clothing she can strip from her poor little children without leaving them absolutely naked. She has pawned them, not for drink, but for coals and food. A shilling is all she can procure, and with this she has bought 7 lbs. of coal and a loaf of bread. We might fill page after page with these dreary details, but they would become sadly monotonous, for it is the same every where."

"And then it should not be forgotten how hardly upon poverty like this must press the exorbitant demand for rent. Even the rack-renting of Ireland, which so stirred our indignation a little while ago, was merciful by comparison. If by any chance a reluctant landlord can be induced to execute or pay for some long-needed repairs, they become the occasion for new exactions. Going through these rooms we come to one in which a hole, as big as a man's head, has been roughly covered, and how? A piece of board, from an old soap-box, has been fixed over the opening with one nail, and to the tenant has been given a yard and a half of paper with which to cover it; and for this expenditure—perhaps 4d. at the outside—three pence a week has been put upon the rent."

"If this is enough to arouse our indignation, what must be thought of the following? The two old people just mentioned have lived in one room for fourteen years, during which time it has only once been partially cleansed. The landlord has undertaken that it shall be done shortly, and for the past three months has been taking 6d. a week extra for rent for what he is thus going to do."

"This is what the helpless have to submit to; they are charged for these pestilential dens a rent which consumes half the earnings of a family, and leaves them no more than from 4d. to 6d. a day for food, clothing and fire; a grinding of the faces of the poor which could scarcely be paralleled in lands of slavery and of notorious oppression."

"This, however, is not all; for even these depths of poverty and degradation are reached by the Education Act, and however beneficent its purpose, it bears with cruel weight upon the class we have described, to whom two-pence or a penny a week for the school fees of each of three or four children, means so much lack of bread."

"So far from making the worst of our fails for the purpose of appealing to emotion, we have been compelled to tone down every thing, and wholly to omit what most needs to be known, or the ears and eyes of our readers would have been insufferably outraged."

Are not these harrowing details utterly appalling? And do they not confirm our conclusions that Landlordism is the most insidious, disgraceful, and heartless system of robbery that human selfishness can possibly devise? And yet the vast majority of mankind have not the remotest conception of the cause of the bloated satiety and wealth of the few; and the demoralization and pandemonium of rags and destitution of the many.

"What more preposterous, "Mr. George says," than the treatment of land as individual property. In every essential land differs from those things which, being the property of human labor, are rightfully property. It is the creation of God; they are produced by man. It is fixed in quantity; they may be increased inimitably."

It is perfectly scientific and philosophical to affirm that all kinds of labor-products are rightfully property. But it is unscientific and un-philosophical to hold that land may not be treated as individual property, while it may be treated as property by the State or nation. For land is as much a product of God to the State or nation, as it is to the individual. Consequently neither the individual nor the nation can hold land as property. Land is but the passive element in production, and becomes property only when it is converted by work into human uses.

"To those who have never given thought to the matter, it may seem irreverently presumptuous to say that it is the evident intent of the Creator that land values should be the subject of taxation; that rent should be utilized for the benefit of the whole community. Yet to whoever does think of it, to say this will appear no more presump-

tuous than to say that the Creator has intended men to walk on their feet, and not on their hands."

I am one who has given, perhaps, as many years of thought to these matters as Mr. George, and I differ with him *toto coelo*. I deem it very presumptuous—in the absence of facts—to say that, "The value of land is in its nature and relations adapted to purposes of taxation, just as the feet in their nature and relations are adapted to the purposes of walking." Every one knows that the feet are adapted to walking; but every one does not know, nor does every thinker see that land values are ordained of God for taxation. It would be just as presumptuous to say that the intellectual faculties or the physical powers of man are ordained of God for taxation, as it is to say that land values are. Land has no value in economics any more than man has. Land values are purely arbitrary, the output of human selfishness and greed. How then are land values ordained of God for taxation? As well say that profit and interest are of God, as to say that land values are. And none of these in my opinion, are matter for taxation. The only thing on which taxes may be levied is the product of one's toil. For this is the only thing man has to exchange with his fellows; and is the only thing which can be computed. Land, air, water and all other natural forces, including human capacity, are incommensurable. It logically follows, therefore, that human product is the only rightful thing to tax to meet the expenses of government or public improvements. An equitable tax would be one in which the estimated rate per cent. was levied on the monthly or annual product of the individual. Land values are purely arbitrary, unrighteous, and unlawful, because they are flagrant transgressions of God's natural laws, which ordain that all natural things are priceless, and commercially valueless.

Hence Mr. George will be compelled to recast, or remodel, his entire system of practical economics, and make them conform to natural law, and not to human selfishness and greed; expressed through competition and monopoly. Economics is a moral science which has to deal almost exclusively with exchanges. And the only element which enters into them is Work. And as work is always the same in kind, whatever the product may be, it becomes the simplest of all the sciences, and at the same time the most beautiful in its morals, because its special function is to establish justice in exchanges. Selfish

competition and monopoly are immoral because they are utterly devoid of justice. Society Must make its exchanges conform to moral law. God has ordained that there shall be no peace in this world until this is done. 'Tis not enough to have an intellectual apprehension of justice, we must love it for its own sake, and make it a matter of Religion, seeing that God is supreme, and that His will must be done.

What more monstrous in morals, than the monopoly and sale of land, mines, forests, fisheries, water courses, and water power—for gain? As well think of selling the ocean by the cubic yard because man needs it for use. As well think of selling little children, fathers and mothers, brothers and sisters on the auction block. As well think of selling lightning by the ohm; or air by the cubic foot; or light by the square yard. Because there is a demand for these things have they "a value which is created by the community as a whole?" If not; how, then, can land have a value which the community creates when it has not been transformed by work into human needs?

Thus do we see how utterly absurd is the idea that demand creates value! It is as devoid of truth as that wealth can be produced without work. Wealth may be obtained without it I grant, but in every such case it is theft or robbery. An exchange to be just must be equal. And as work is the only thing that man can righteously exchange, and the only thing which can be righteously taxed, it logically follows that Mr. George's theory of taxing land values to equalize incomes, or to subvert the blasting unrighteousness of landlordism, must be abandoned.

This, however, ought to be done, viz:—There should be a voluntary relinquishment for the public weal of lands monopolized for speculative ends in the form of city lots, or land estates now held by the force of law. This should be done as a social and religious duty, just as one should voluntarily refrain from highway robbery, stealing, perjury or murder.

Landlords should also voluntarily cease taking unrighteous rent; and instead of this they should offer for sale to their tenants the houses they occupy, on equitable terms, which would be the cost of their erection less their depreciation by age. City houses or flats occupied by a single family, could be sold on the instalment plan, without interest. When the instalments amounted to the value of the house or flat, a title deed should be given to the occupant. I say, they

should be sold without interest, because interest is unrighteous gain, as no moral reason can be given for it.

No account should be made of "the value of land created by the community as a whole," when the value of such land has already been paid for by rents previously received. When, however, a house and lot is new and the land on which it stands has been paid for, as a compromise the value of the land might be added to the value of the house, and when both are sold it should be at their prime cost.

The same plan might be applied to business houses, to mills and factories and other manufactories. In this way tenants might become absolute owners of the properties they occupy. In this way rents could be gradually abolished.

The almost insuperable difficulty to be encountered in the way of reform is the universal practice of monopolizing and selling land. So common is this that hardly one in a million dreams of it as an iniquity. Only here and there is a thinker who adequately realizes the power for evil which this stupendous immorality produces. And yet when one really does see it, he becomes well nigh overwhelmed by the force of the revelation. We know it is wrong to murder because it produces direful distress. We know it is wrong to steal because it deprives one of that which is supposed to have been righteously gained for personal enjoyment. We know it is wrong to bear false witness because it deprives one of the righteousness of truth, and that public confidence which attaches to an honest, upright mind. In like manner, I do profoundly realize the enormity of the evil of land monopoly by the universal injustice, destitution, misery and immorality which every where prevail because of it. What Garrison said of chattel slavery may with greater propriety be affirmed of Land Monopoly that—"It is the sum of all villainies," because slavery is but an effect of land monopoly. In fact slavery were impossible without it. The blacks of the South, though legally free, are virtually slaves to-day, because they are deprived of free access to the soil which is the basis of liberty. Their former masters are really gaining more riches out of the productive toil of their black hirelings, than they gained from them when they were slaves. As regards the freedom of the franchise for the blacks it is a cruel farce. Had all who wanted to till the soil, at the close of the rebellion, received what they were led to believe they would, namely—"Forty acres and a mule"—they would have been

freemen now, whereas they are virtually slaves. This is a sad and inglorious anomaly in a country which boasts of its Constitutional freedom! A land aristocracy is the bane and curse of the nations! The aristocrats of the South and North will hold on to the land with the grip of gravity to the universe. This will provoke, I fear, another civil war. To deprive the freedmen and other humble citizens of land is virtually to murder them, and to subject them to every device of commercial injustice and petty tyranny which heartless greed can invent. There is, therefore, no hope for the toiling poor, except in the abrogation of iniquitous land laws; and no true freedom for them but in untrammelled access to the soil, to the extent of individual or co-operative needs.

The Ethics of Protection & Free Trade.

THE competitive aspect of Protection and Free Trade is readily seen and stated.

The manufacturer who desires to make all the money he can by the production and sale of his specialty, and who resides in a country where land is very dear, money and labor very cheap, his machinery and hired skill the best, with competition at a maximum—will necessarily be a Free Trader from purely selfish motives. Because these economic advantages would secure him competitive success against the whole world.

These are the economic conditions of industrial England to-day. She can therefore successfully compete, in her staple productions, with every other nation on the globe. Her manufacturers are the richest in the world; but the condition of hundreds of thousands of their employees is most wretched and deplorable.

The causes which produce this state of things are patent to every careful and thoughtful observer. Competition among like producers gradually reduces profits and dividends to a minimum. When profits and dividends are reduced so low that the manufacturers and stock-holders are not receiving as much money on their investments as they deem it right they should have, they then impinge on the wages of their employees by reducing them 10, 15, 20 or 30 per cent, in conformity with their own selfish purposes. This makes the employees poorer. Competition, however, does not end here. It still goes on between the manufacturers for the home and foreign markets. When profits and dividends are again reduced so low that the manufacturers and stock-holders are dissatisfied with their rewards, they again reduce the wages of their employees, which makes them poorer than before. This process of reducing wages from time to time, under competition, gradually puts wages so low that tens of thousands of the toiling classes of the British Isles are reduced to the most abject condition conceivable. This is what Free Trade England has done for her toiling millions!

We will now put a hypothetical case for the Protectionists.

A manufacturer resides in a country where land is very cheap, wages and interest very high, competition at a maximum, and whose machinery and hired skill are as good and efficient as can be found anywhere. These economic conditions would necessarily cause him to be a Protectionist; because he could not successfully compete with the Free Trader under free-trade conditions. Competition, however, under Protection, would necessarily reduce profits and dividends to a minimum. When the profits and dividends were reduced so low that the income derived from manufactures did not meet the selfish requirements of the manufacturers and stockholders, they would then impinge on the wages of their employees by reducing them 10, 15 or 20 per cent., agreeably to their pre-concerted selfish arrangements. This would necessarily make their employees that much the poorer. When competition for the home market again reduced profits and dividends to a minimum, another reduction of wages would be enforced and the employees would thereby be made still poorer. This periodic process of reducing wages, by competition under Protection, would finally culminate in reducing the wage-workers to abject penury, with moral and intellectual destitution.

These are the conditions which are rapidly befalling the wage-workers in the United States of America. In Pennsylvania, the most heavily protected State in the American Union, colliers are now working at the low figure of sixty-five cents a day, and for one-quarter or one-third of the year they are in enforced idleness. When the United States shall have had Protection as long as England has had Free Trade, her wage-workers will be in as deplorable a condition as any of England's industrious poor. Hence there is absolutely no hope for the toiling millions under either Protection or Free Trade! Competition will ultimately grind them down to abject destitution and despair. To the philanthropic thinker this is the severest logic that ever appalled the heart of man.

Having examined Free Trade and Protection in the light of selfish competition, we are now prepared to examine them in the light of Ethics or practical Justice. Read what David A. Wells, once a Protectionist, now a Free Trader, said before the Brooklyn Revenue Reform Club, February 8, 1882.

"China is the great cotton producing and cotton consuming country of the world. A great majority of her people are clothed exclusively in cotton; and yet until within the past year there was not a power-loom or spindle at work in the whole of this vast empire. An ordinary Chinese laborer requires about eighteen yards of heavy cotton "drills" for his annual clothing, and this represents about thirty day's labor to produce, according to Chinese methods. But the production of this same quantity of cloth in the United States represents, at present, only about one day's labor, apportioned in the ratio of about one-third of a day for the production of the fibre; one third for its manufacture in New England into cloth; and one-third to cover the labor of transportation, from the place of production to the place of manufacture, and from the place of manufacture to the point of consumption, be it China or elsewhere. It is, therefore, evident that if we could sell cottons to China, that the transaction would be in the nature of an exchange in our favor, of thirty day's labor for one; to which must be further added that the Chinaman is desirous of paying for such cottons as he may buy, with tea, which he will, grow for us, for a compensation of twelve to fifteen cents per day. But now comes in our Government with a policy which excludes us from this advantageous system of exchange and turns it almost all over to Great Britain; and then, as if this was not sufficient, proposes to supplement it with a measure for diverting our labor from its present highly productive employment, into the industry of growing tea, in which to succeed, it must successfully compete with Chinamen working at twelve cents per day. And yet this plan developed into such favor on the part of Congress and the public, that the President in his message of two years ago, alluded to it as a matter worthy of all encouragement. Had the plan succeeded, which owing to fortunate circumstances it did not, the next step in order would have been to greatly increase the price of tea in the United States in order to protect the American producers against the pauper labor of China. Was any more absurd scheme ever recorded in commercial history?"

Most truly this is an "advantageous system of exchange." A highway robber could not take a much greater advantage of his neighbor than that proposed by Mr. Wells. Thirty day's work in the production of

tea, in exchange for one day's work in the production of cotton drills! Viewed in the light of Justice, or Christianity, the proposition is monstrous!

This proposition of Mr. Wells is on a par with the practical application of it on the part of certain British manufacturers in their dealings with the people of Burmah. I clipped the following from the New York Tribune, of May 4th, 1883.

"The trade in idols is unusually brisk in Birmingham, England. A thousand glass gods, which cost thirty -seven cents apiece and sell for four dollars, have just been sent to Burmah."

Is that a practical application of the Christian law, "Love thy neighbor as thyself?" Is it doing to others as we would that others should do to us? Is it just? Is it the way to establish the kingdom of righteousness on the earth? And yet Great Britain sends Christian missionaries to the Burmese to convert them to Christianity! Is manufacturing glass gods at thirty-seven cents apiece, and then selling them to the Burmese at four dollars apiece, the way to convert them to Christianity? And yet this is the way that Mr. David A. Wells, an American free-trade Christian, proposes to convert Chinamen to Christianity by selling them one day's product of cotton drills for thirty days product of tea. What a stupendous sham is our so-called practical Christianity!

Now listen to the grand eloquence of Mr. Wells while he discourses on the ethics of the Protectionists. He says—

"Did any one ever know, or hear of an American who, however much of a protectionist at home, did not consider it a privilege on visiting Europe that he was able to buy clothing and other articles of luxury, cheaper than in his own country, and who did not to the extent of his ability avail himself of his opportunity for so doing? I recollect travelling some years ago in Europe with a prominent member of the Industrial League of Pennsylvania, who had accumulated a large fortune through an iniquitous and selfishly arranged prevision of an existing tariff, and whose expenditure for a great variety of products of foreign labor, for no other reason apparently than their comparative cheapness, was most lavish; and whose pleasure and exultation over what he termed his bargains was so excessive as to almost border on simplicity. And from what

I learned from his own lips, I doubt if any ore of these numerous purchases on his return to his own country ever came under the cognizance of an American Custom House and paid duties. Now, if this man's principles had been any thing more than a selfish sham, he would have scorned to use the money which protection had brought him, for the purchase of any other merchandise than that manufactured by American operatives under protection equally well if not cheaper, and would not have taken advantage of any opportunity to increase his abundance which he had helped by law to deny to his fellow citizens."

Now, this is what I call sublime moralizing on the selfishness of protectionists, and I deem it well merited. But can not Mr. Wells also see that the free traders, of which he is one, are equally guilty of "an iniquitous and selfishly arranged provision" of free trade? and that their philanthropy is "a selfish sham," and their Christianity too, and that they also should scorn to take the advantage of any opportunity of acquiring thirty day's product of tea in exchange for one day's product of cotton drills? Is it any the less iniquitous and selfish to victimize foreigners than it is to victimize Americans? Is not commercial morality as binding at the antipodes as on this side of the globe, or at home? Is it wrong to rob your fellow men here, and right, to rob them there? Is not, therefore, the patriotism and philanthropy of the free traders as much an illusion and "selfish sham" as the patriotism and philanthropy of the protectionists? When we shall have learned to love our neighbors at the antipodes equally with our neighbors at home; when we shall religiously seek commercial justice and conscientiously apply it in our daily avocations, then all iniquitous and selfishly arranged provisions of protection and free trade will cease. Then will justice become an infallible power which builds for righteousness and the brotherhood of all mankind.

We are now prepared to search for the causes which necessitated Free Trade in England, and Protection in the United States. But before we do this it is well to state the essential points of agreement and of disagreement between these two schools of economic thinkers.

The Free Trader maintains that perfect freedom to work, and to dispose of the product of one's work, when and where he pleases, without restrictive legislation, is co-equal with the right of freedom

of speech, of the press, of religious opinion, of one's person, and the right to choose whomsoever he will to represent him in the councils of the State or nation. He also maintains that a tax imposed by government on the importation of foreign merchandise, except for revenue, is a pernicious and unwarrantable assumption of power, detrimental to the material prosperity of a people who may be the victims of such restrictive legislation.

He further maintains that if freedom of commerce may be legitimately restrained by law, then, by parity of reasoning, freedom of speech, of the press, of the conscience, of one's person, and the right to choose one's representative may be curtailed by law. He also alleges that a tax on imported goods is robbery to the amount of the tax, when the consumer is forced to pay it. This is simply a corollary to the principles as stated above.

He also maintains, with Bastiat, that—"Whatever two persons mutually agree to, in a matter of exchange, is just." So much, then, for the basic principles of the free trader.

The Protectionists, per contra, hold the same fundamental doctrines with one main exception, viz—Infant industries, they say, like infant children, need the protecting and fostering care of paternal government; otherwise they will certainly be annihilated by foreign competition. Let us examine this doctrine and see if it be really based on facts.

One hundred years ago, the American colonists had precisely the same kind of tools for quarrying stone, making bricks, building houses, felling trees, and sawing them into boards, as their English cousins had. They had also the same kind of farming implements, with forests right at hand, and an abundance of cheap land. They had likewise the same kind of tools for building ships, spinning yarn and weaving cloth, tanning leather, making boots and shoes, clothing, hats and caps, manufacturing furniture, horse-shoes and horse-shoe nails. There was an abundance of water power, the seashore and streams abounded in fish, the land in minerals, and the forests were filled with game.

Having these artificial and natural advantages, with inventive genius and skill, and ambitious industry, why did the colonists need a protective tariff to enable them to establish infant manufactures on a

permanent basis? Only three economic reasons can be given, viz.: Cheap land, high wages, and high interest.

In all new colonies where land can be had for little or nothing, labor commands the highest price. The reason is that no one will work at mechanical or manufacturing industries where land is cheap, for much less wages than the market value of an average day's product of wheat or other agricultural produce. Hence mechanic's and artizan's wages are always relatively high in new countries.

The third cause which makes a protective tariff a necessity, under a selfish competitive system of commerce, is the market value of money. In all new settlements money always commands the highest rates of interest, because it is always sparse. Thirty years ago I knew men who loaned money to Illinois farmers at the rate of 35 and 40 per cent. interest.

Therefore, where land is cheap, money dear, and wages high, it is impossible to establish a system of manufactures against the competition of old countries where machinery has grown to a high degree of perfection, and where labor and money are cheap, and land dear. Consequently, a tariff on foreign products becomes an absolute necessity if it be desirable to establish manufactures on a permanent basis in new countries.

How, then, can Free-Traders and Protectionists become reconciled? Both are right on the fundamental principles of freedom, as I have already shown. And both are right from their respective standpoints of competitive greed. The manufacturing protectionist seeks to gain riches by compelling the consumer at home to buy goods at a price which far exceeds what a free competitive market would allow. While the free trade manufacturer seeks riches by selling his goods at an enormous profit to the foreign consumer. This is the way England has impoverished Ireland, Germany, India and Turkey and all other countries with which she exchanges her manufactured goods for raw materials, or purely agricultural products. And the American Free Trader, now that American manufactures and skill have risen to a high degree of perfection so that in many things America can successfully compete with Great Britain, wants to follow England's cruel example. This I have already shown by what David A. Wells said before the Brooklyn Revenue Reform Club.

We are now prepared to point the causes which produced Free Trade in England.

England is the typical free-trade nation of the globe. Her commerce is on every sea and permeates every nation. All are made to pour treasure into her coffers. Her competition is dreaded by every nation on the globe. For in this she is the master of the world. Although wages in Russia, Austria, Turkey, Italy, Spain, France, Belgium, Netherlands and in Scandinavia—are less by reason of home competition, yet none of these nations can successfully compete with Great Britain in the cheapness of her staple productions. Even Americans, who boast of their manufactures, their inventive genius and their skill, also dread her competition, and have about 4,000 articles of commerce well protected against her. Why all this anxiety and dread, and this enormous protection against England, when she pays the highest wages to her working people of any country in Europe? The answer is this: It is because her inventive genius and acquired skill enable her to produce more things of a like kind, by the same expenditure of energy and capital, than any other nation can. Therefore, she can successfully compete with and undersell every nation on the globe.

The reason that European nations dread her competition is accounted for in this way:—Competition in these countries having already reduced wages to a minimum, so that the wage-workers are well nigh reduced to absolute want and beggary, a further reduction of wages they cannot endure. It is only by the most rigid economy that the masses maintain an existence. Therefore do they necessarily dread the competition of Great Britain which inevitably reduces them to greater destitution. Hence these countries are rapidly establishing protective tariffs to counteract the competitive power of England's corporate greed.

In like manner competition operates in England, with the same dreaded certainty among her own manufacturers and wage-workers. The manufacturers of like products are constantly competing with each other; not only for the home, but also for the foreign markets. This necessarily reduces profits, dividends and wages to a minimum in England. When competition has reduced profits and dividends so low that the manufacturers and stockholders can not gain what incomes they deem it necessary to have, they then impinge upon the

wages of their employees by reducing them 10, 15 or 20 per cent, according to circumstances. What is thus abstracted from wages is added to profits and dividends. Competition, however, still goes on and on; and when the profits and dividends are again wiped out by competition, another reduction of wages is made, followed, perhaps, by strikes, lockouts, arbitration, idleness, destitution, pauperism and crime. Thus England maintains her ascendancy as the supreme competing nation, because, as I have already shown, her genius and culture enable her to produce more merchandise with the same expenditure of energy and capital than any other nation can. But what is the present condition of tens of thousands of her working people? Listen to what Carlyle wrote in his "Latter Day Pamphlets."

"British industrial existence seems fast becoming one huge poison-swamp of reeking pestilence, physical and moral; a hideous living Golgotha of souls and bodies buried alive; such a Curtius gulf communicating with the nether deeps as the sun never saw till now. Thirty thousand outcast needle-women working themselves swiftly to death; three million paupers rotting in forced idleness, helping said needle-women to die; these are but items in the sad ledger of despair. Thirty thousand wretched women sunk in that putrefying well of abominations; they have oozed in upon London from the universal Stygian quagmire of British industrial life; are accumulated in the well of the concern to that extent."

Now, listen to what John Bright, one of England's free traders, said, in a recent speech to his constituents:—

"In the city of Glasgow alone 41,000 families out of every 100,000 families live in houses having only one room. In Scotland nearly one-third of the whole people dwell in houses of only one room. In fact, looking at the past—to me it is a melancholy thing to look at—there is much of it which excites in me not astonishment only but horror. The fact is there passes before my eyes a vision of millions of families—not individuals but families—fathers, mothers, children, passing ghastly, sorrow-stricken, in never-ending procession from the cradle to the grave."

Chambers Journal says:

"No abjectness in any city in Europe sinks to the dismal level of rags and wretchedness observable in the fetid alleys of Edinburgh and Glasgow."

Do not these quotations present a horrible picture of the condition of the working people of Industrial England? And yet there is not one British statesman, to my knowledge, who has the genius, the moral courage and eloquence to set forth, in befitting terms, the iniquitous cause of all this social horror and woe, namely—The Monopoly and Sale of Land.

Let us now turn, for a few moments, to the United States of America. Is it not patent to every thoughtful observer, who takes cognizance of the progress of events, that the toiling classes of the United States, the great body of wage-workers, are rapidly becoming the inheritors of social conditions, akin to those in England, so graphically described by Carlyle and John Bright?

Do we not know that there are tens of thousands of boys and girls, under fourteen years, who are obliged to go out to daily toil to earn their own livelihood, because their parents' wages are utterly inadequate to support and educate them?

Do we not know that in all of our large cities there are thousands upon thousands of young and middle-aged women driven into the paths of prostitution and shame, because of the hardness of their lot as industrial citizens?

Do we not know that in the tenement districts of New York City, there are as many persons, male and female, young and old, crowded into single rooms as can be found in the most densely populated districts of London?

Do we not know that there are needle-women who make gentlemen's and ladies' linen dusters at five and six cents a piece, furnish their own thread, and if perchance, they can make twelve dusters by working twelve hours a day, their income is but sixty cents a day, or \$3.60 per week?

Do we not know that young girls are compelled to work in loathsome tobacco establishments and homes, thirteen hours a day on the average, for the miserable pittance of fifty cents, or \$3.00 a week, and for lost time they are 'docked' a cent a minute?

Do we not know that our State prisons, poor-houses and jails, are crowded with inmates taken from the ranks of labor?

Do we not know that throughout the length and breadth of the land, strikes against corporate greed have become chronic?

Are not rents on the increase, and wages on the decrease, and competition and monopoly rampant with greed, producing misery and destitution everywhere? No greater mistake was ever made by imaginative statesmen, when they oratorically proclaim the perfect freedom of American citizens, and their emancipation from unjust and unequal laws! We are told that the United States is a free and glorious Republic, with equal opportunities for all. Glorious, I grant, in material achievements; but inglorious in the methods by which these material achievements have been gained. The wealth, which is now being piled up so rapidly in the coffers of the few, is the wealth of sin; and the ambitious greed, which is the initial incentive of these vast accumulations of wealth, is born of flagrant injustice.

Most of the protective tariffs of the United States are the product of unscrupulous avarice, since they do not now need economic protection.

Take the cotton industry as an example. In a letter to The New York Tribune, dated June 11, 1883, Mr. David A. Wells makes this statement:

"While exporting for sale in foreign countries during the year 1882 American manufactured cottons to the value of \$13,222,979, we imported (under duties ranging from thirty-one to seventy-six per cent.) for home consumption the products of foreign cotton manufactures to the extent of \$34,351,292."

Where did most of these exported American manufactured cotton goods, to the value of \$13,000,000 go to? Let Mr. Robert P. Porter, in his letter to the New York Tribune, dated May 24th, 1883, answer. He says:

"American exports of cotton goods reached in 1881 nearly 150,000,000 yards. It has been claimed in some quarters that the export of American cotton goods to Manchester was merely made to "raise money," but this is most explicitly denied by Mr. James Thornby, an Englishman, who visited the United States a few

years ago for the express purpose of investigating the matter, and whose report seems an impartial and exceedingly intelligent one. Mr. Thornby says: "In no case have the Americans sent cloth here in order to 'raise money' upon it, nor, as has been suggested, have the exports been merely relief shipments on which a loss could be afforded in consideration of the higher prices to be obtained in the protected home markets. The goods have always been sold at such prices as left a profit to their makers, and the transactions have, in every instance, been conducted upon a purely mercantile basis."

My point is this:—When American manufacturers of cotton goods can successfully compete with Manchester in her home market, and sell at a profit, then I declare that the duties of thirty-one to seventy-six per cent., imposed upon American consumers at home, is barefaced legislative robbery, and that the cotton manufacturing corporations of the United States are a body of greedy, unscrupulous men, unworthy of the respect and confidence of their fellow citizens.

When protection is pleaded and sustained for the sole purpose of enriching manufacturers to the amount of the tariff, under a competitive system, then it is high time that all such tariffs were repealed. It is a notorious fact that American watch, clock and sewing machine manufacturers sell, at a profit, their goods in Europe at half the retail price they are sold for in the United States. These facts prove that American watches, clocks and sewing machines are sold to the home consumers at a profit exceeding one hundred per cent, of their competitive value?

Moreover, the manufacturing statistics of the city of New York attest that the value of the products in 1880 exceeded the wages paid and the value of the materials employed, to the amount of \$201,450,022 which is more than fifty per cent. gross profit, and the average wages paid were about one dollar and twenty-five cents per day. These facts incontestably prove that the manufacturers of the City of New York can abundantly afford to pay their employees higher wages, but they never do it except when they are compelled by successful strikes. Hence New York City is a nucleus of perpetual warfare between Labor and Capital.

With these facts before us where is the use of prating about the advantages of Protection to the toiling classes of America. Granted,

that wages in the United States are one hundred per cent. higher than in Great Britain. The purchasing power of a dollar in England is from fifty to seventy-five per cent, greater than in the United States. Consequently the average condition of the wage-workers in England is nearly equal to the average condition of the wage-workers of America. Any impartial, fair-minded traveler, who has gone through the large cities of England and the United States, will attest that these statements are virtually true.

How, then, does protection protect American workmen? That it protects the manufacturers we all do know. But what of the workmen? Competition operates among like producers in the United States as it does in Great Britain; but profits are not ground down by it to so small a scale, as is shown by the enormous increase of wealth among the landlords, merchants and manufacturers during the past twenty, years. On the other hand wages are gradually decreasing. The enormous immigration to the United States, of European artizans, farm-hands and laborers, produces a competition which reduces wages to a minimum, while at the same time it increases the riches of the wealthy. This is the immediate cause of all the strikes that are now and have been taking place during the past decade, and the strikes are on the increase. We may, therefore, anticipate solidier combinations of Trades Unions in the future, whose united power will be wielded against aggressive capital; supplemented, perhaps, by bitterness, riot and bloodshed.

Thus are we instructed alike in Republics as in Monarchies, that like causes always produce like effects. The monopoly of the land and competition, under Free Trade or protection, will ultimately reduce the wageworkers in every country to abject destitution. Nor would it avail for good if every nation were Free Trade, or every nation adopted Protection. So long as the toiling millions are prohibited from gaining free access to the soil, to the extent of their needs, there is absolutely no hope for them. Granted this natural and inalienable right, grinding poverty would cease; and monopolies of all sorts would ultimately become an impossibility.

In the preceding papers, on Macleod and George, I have shown the precise causes of penury and destitution among the industrious poor,

outside of the effects produced by transgressions of physiological law or domestic economy. Therein have I shown that man's selfishness has overridden the Law of Nature and of Justice which have ordained the pricelessness of all natural things and forces. Every rational mind may behold this law, for it inheres in the nature of things. The monopoly and sale of land are the primary cause of all the despotisms and social agony of the world. Aristocracies are based on it, and would therefore be impossible without it. Remove this selfish iniquity from the heart of man, then co-operation would take the place of monopoly and competition. Had the Pilgrim Fathers, and their immediate descendants, been as wise as they were religious; had they perceived the law of the pricelessness of natural things and forces, including the mental and physical forces in man; and had they also perceived the law that Work is the only economic quantity that is commercially exchangeable, no rational mind could doubt that the social status of the American people would be altogether different from what it now is.

Had they started a civilization with a recognition of the fact, as Moses and Isaiah did—That land should not be sold or monopolized;—they would have seen that Rent was an immoral tax. They would also have seen, what all wage-workers now experience but do not see, that those who work for wages pay the rents, the profits, the dividends, the interest on capital, and the taxes, and are, at the same time ground as between the upper and nether mill-stones of monopoly and competition. This is what we do now see, but what our Pilgrim Fathers did not see. Nor did the framers of the Declaration of Independence behold these great truths; for had they done so, they would doubtless have given them statutory force by putting them into the Constitution, the fundamental law of the land.

What they failed to do, we must do sooner or later. The laws of God are supreme and must be secularized. Wisdom must combine with religious zeal to overthrow existing evils, by planting in their stead a social system having Natural Law for a foundation, with wisdom, religion and love, the building materials,— the bricks and mortar for a new social state. One thing is certain, there must be an end of unrighteous greed or there can be no peace. We must do not as statesmen who see the light and then shrink into base conservatism, but boldly declare the will of God. Nothing short of this will help a

suffering world, travelling in poverty, which is not of God but of man.

Moreover, honest toil asks not for charity, or even a magnanimous use of riches. Honest toil demands its own, believing that "the produce of labor is the natural recompense or wages of labor." Nor does it require or demand a fictitious value of the things it produces, on the principle of supply and demand. For no demand can make a product or service worth more than the work put into it. Nor can any amount of supply make a product or service worth any less than the amount of work put into it. What righteous toil demands is Justice. Give labor this, then there would be no more rent; no interest; no increase; and, consequently, no wasteful wars; no unjust taxation; no poor-houses; no State-prisons; no houses of ill fame; and woman would assume her rightful prerogative in the State, and would no longer be the tool of the selfishness and tyranny of man. There would be no Customs Houses and therefore no customs dues. Free Trade would be universal, because the exchangeable value of all labor-products and services would be determined by the amount of work wrought into them. Justice would wield the sceptre of power. Pure, practical Christianity would then gain a foothold and become a truly regenerating force in the social state, instead of being the hypocritical and ostentatious thing it now is. The possibility of its realization would no longer be deemed a chimera, but a substantial reality of which the world at present has no adequate conception. Charity would cease to be charity, and in its stead we should have magnanimity and love emulating the Almighty in an honest, unselfish endeavor to build up the kingdom of righteousness and love into the pillars of the social state.

If you, dear Reader, do not see that these good effects would logically flow from a cessation of the monopoly and sale of land; if you do not see that rent would be impossible where no one had more land than he could individually use; if you do not see that profit is the effect of rent, and interest the effect of profit; if you do not see that the wage system is the effect of land monopoly; if you do not see that poverty among industrious wageworkers, aside from what they spend in intoxicants and pleasure, is the effect of rent, profit, interest and taxation; and that these are based upon and caused by the monopoly and sale of land; if you do not see that crimes of all sorts are largely

the result of destitution; if you do not see that State prisons are the effect of injustice and avarice, backed by defensive laws which perpetuate this gigantic iniquity, viz.: The monopoly and sale of land; if you cannot see that the artificial, anti-Christian civilization in which we live, generates a festering injustice and moral rot—then I confess my inability to enlighten you.

Moreover, if you can not see that obedience to the will of God is the salvation of the nations; if you cannot see that statute law, when it shall be made to harmonize with the Revealed Law, in reference to the monopoly and sale of land, usury and increase, will help to bring peace and plenty; if you cannot see that such measures of righteousness would undermine this stupendous fabric of social injustice, called modern civilization, with its caste of wealth, and its caste of poverty, and remove the inherent extremes of bloated satiety on the one hand, and pinching wretchedness on the other—Then I say, there is no hope for the toiling masses of this generation. Reform becomes a forlorn hope, and the kingdom of God an unrealizable dream.

Workingmen! A word to you in particular, and I am done.

I have shown the injustice and despotism of competition. No combination of Trades Unions will ever release you from its relentless grind and tyranny. Nor will your selfishness by preventing young men and young women, from learning a trade, help you. Nor will your tyranny against 'scabs' help you. Nor will your associated efforts to gain higher wages by strikes help you, except as a means of agitation. Agitation is better, far better, than indifference and deathly stagnation. But you are powerless as against the inexorable force of universal competition. Moreover, your strikes militate against the interests of the working-women, who as a class do not strike; because an increase of your wages lessens the purchasing power of their wages which impoverishes them to enrich you.

For more than one hundred years American workingmen have struck against the grind of competition. You might as well attempt to stem the torrent of Niagara with a broom, as to imagine for one moment that your strikes will arrest the crushing power of universal competition combined with the monopoly of the land. This is a gloomy picture, I grant. It is well, however, to state the facts as they are. For hundreds of years the workingmen of Europe have struck

against the tyranny of monopoly and competition, but all to no successful end.

Soberly, then, "What are you going to do about it?" Will injustice to Chinamen gain justice for you? Will the abolition of competitive convict labor gain for you the product of your toil, while outside competition grinds you to misery and despair? Will monopoly, protected by law, yield to your appeals for justice, and the cry of your children for bread? Money has power, and rich men will buy the votes of workingmen by the bushel when the contest at the ballot-box comes around. 'Tis hard for the very poor and the idle to resist these powerful temptations. Bur woe be unto them from whom these temptations and grievances come! Better were it for them that a mill-stone were tied about their necks and they were cast into the sea.

Will a law which ordains that eight hours shall constitute a day's work annihilate competition, put money into the hands of parents and keep the children from those death-traps, the cotton and woolen-mills, and fetid workshops of the world? Will the prohibition of factory child-labor, under fourteen years of age, send them to school, clothe their backs, feed their stomachs or educate their hearts and brains? Will these things stop the eternal grind of competition, or crush the power of monopoly? Away with all such delusions! Nothing will stop these Titanic forces except Education and the repeal of all laws which sustain Injustice.

There are innumerable rich men with grand and magnanimous hearts, who are as ignorant as the poor of the blighting causes of the poverty of the many. And there are thousands of rich men who have hearts of adamant,—proud, cold, selfish, tyrannical, cruel and unyielding. But the agitation and the education must go on. We must show the rich and the poor alike that the bottom cause of Nihilism, German Socialism, French Communism, Irish Rebellion, Labor Reform and Strikes—is The Monopoly and Sale of Land. No one should have or occupy any more land than he can economically use, or than can be profitably applied in co-operative industry.

A selfish act done without regard to the rights of others is an act of injustice. Therefore do I advise repeal. This advice would be unnecessary if monopoly did not thwart legitimate competition, and if there were no fixed salaries out of all proportion to the actual service rendered. As working-men and working-women are the chief victims

of competition, while the monopolists in a large measure escape it, I therefore say—Repeal the laws. Take away the power of the State which defends these rapacious corporations and let them stand or fall on their own merits. How long would they then remain common robbers? Just so long as they would be able, of themselves, to defend their gigantic iniquities.

How long, without defensive laws, would the monopolists of the coal mines and petroleum oil of Pennsylvania, hold iniquitous possession? How long would the land monopolists hold their vast estates? The gold monopolists, the gold mines? The stone monopolists, the quarries? The lead monopolists, the lead mines? The iron monopolists, the iron mines? The copper monopolists, the copper mines? The silver monopolists, the silver mines? And the timber monopolists, the forests of the nation? 'Tis the greed of abnormal selfishness that produces the extremes in society, and causes the downfall of nations.

Protection and Free Trade are but forms of abnormal selfishness, and both are powerless to help you. Protection and Free Trade protect manufactures only. Strikes will not save you. The abolition of competitive State-prison labor will not save you. Laws preventing Chinese immigration will not save you. Nothing will save you except Christianity, which is practical Justice and Love, taking possession of the human heart. Nor will that spirit of selfishness, which you condemn in the successful rich and which you would so readily practice had you the chance, save you. Would you in the spirit of greed monopolize land, take rent, profit, interest, dividends or any unearned increment to the impoverishment of others? then are you no better than those whom you condemn for doing likewise.

I beseech you, then, for the sake of yourselves; for the sake of your children and your children's children; for the sake of justice and humanity every where, that you combine as a unit, to repeal the iniquitous laws that crush you, and at the same time persuade rich men to help you. Then will you be blessed of your children, and blessed of God in your righteous and praiseworthy endeavor.

The Industrial Problem Considered a-priori

'TIS Adam Smith who says: "The produce of labor is the natural recompense or "wages of labor." Had he stuck logically to this fundamental premise he would have solved the problem of commercial justice for all time. Like all other political economists I have read, not excluding Henry George, in *Progress and Poverty*, he failed to trace the law of justice which necessarily inheres in every commercial transaction. It is a singular and painful fact that when they are on the very verge of a solution of the problem of commercial justice, they allow their minds to be diverted into a discussion of such subjects as—Wealth, Value, Price, Cost, Utility, Supply, Demand, Competition, Monopoly, Productive and Unproductive Production and Consumption, Protection and Free Trade. By so doing they have plunged into an inextricable web of contradictions and absurdities. They are, therefore, the blind leaders of the blind. I do not mean by this that they have not discovered truths useful to mankind; but I do say they have utterly failed to discover the law of commercial justice. Had they sought to know the Natural Law in the premises, instead of conforming to the selfish spirit of the world, they would not have made so miserable a failure.

My object, therefore, is to propound and answer the following question with such ability as I possess;

Is the law of Moses, which forbids the sale of land, usury and increase, in harmony with Christianity and natural justice?

If it can be shown that it is, then the moral obligation to faithfully apply it, in spirit and in truth, is paramount to all selfish considerations, honorable agreements, and legal claims whatsoever. The very statement of the question reveals its momentous import. No considerations of delicacy or preconceived notions of right and wrong should deter the sincere thinker from probing this question to the bottom. And no respectful allegiance to the teachings of political economists should prevent lovers of truth from giving respectful consideration to the thoughts of others that may be diametrically opposed to economic ideas previously imbibed. Long accustomed

practice and prejudice in favor of established customs, the right or wrong of which has rarely been questioned, become a part of one's moral constitution. If, however, one does question the rightfulness or wrongfulness of well established customs, he will very likely be deemed Quixotic, moonstruck or insane. Whether I shall be deemed altogether wrong-headed in what I am about to say of the causes of riches, and of poverty among industrious people, outside of transgressions of physiological, law and domestic economy, remains to be seen.

Ignorance is the bane of mankind. And the rich are as ignorant as the poor in their relation to these vital questions. It is on this account that I desire to appeal to the former, since it is through them, in my humble opinion, that a peaceful evolution and revolution is to be gained.

Moreover, the rich are not less conscientious or magnanimous than the poor. And I am certain when they shall have learned to know what is right and just, or what is the will of God in the premises, they will as readily conform to it as those who are now the victims of universal injustice.

It is a recognized fact that man seeks to gratify his desires with the least exertion. This selfish tendency of the human nature is manifested in palpably unlawful and immoral methods. When one becomes a thief, a housebreaker, a pickpocket, a bank robber, a counterfeiter, a highwayman, a bandit, or a pirate, he seeks to gratify his desires with the least exertion. No one would be so foolhardy as to sincerely defend these methods of gratifying desire. Nevertheless, startling as it may seem, I purpose to show that the transgression of the Mosaic law in reference to the sale of land, usury and increase, is precisely akin to these unlawful methods, which every honest mind condemns. It is therefore a question of justice: and justice ought to satisfy everybody. But, what is justice? A simple illustration will help us to a solution of the problem.

Thomas has a lump of gold that cost him an average two day's work to dig out of the ground. Robert has made a hat which cost him an average day's work. Thomas wants the hat; and Robert wants the gold. Without any outside interference whatsoever they mutually agree to make an exchange. Thomas taking Robert's hat, and Robert taking Thomas' gold.

Now, I ask, Is that a just exchange? Bastiat says: "*Whatever two persons mutually agree to, in a matter of exchange, is just.*" If this be true then one day's work is equal to two day's work. A conclusion so manifestly absurd that any school boy ten years old would disgrace Bastiat by his decision. Justice is always an equation. It is also admirably represented, on the domes of our court-houses, by the goddess of Liberty holding in her left hand a pair of scales exactly poised, the emblem of justice. I am sorry to say, however, that no such thing as justice is ever gained for litigants in our courts of law; except, perhaps, in cases of willful murder, when the culprit is hanged. A single example will suffice to show my statement to be true.

Suppose that Thomas, after he had agreed to exchange his gold for the hat, suddenly realized that he would be victimized, to the amount of one day's work, and therefore he backs out of the bargain by peremptorily refusing to make the exchange. Thereupon, Robert sues him for a breach of contract. The Court, after hearing the evidence on both sides, decides the case in behalf of the plaintiff. Has Robert thereby gained justice? Not at all! He has gained the point of honor at the expense of justice. Since, by the decision of the Court, Thomas is victimized to the amount of one day's work. Hence the Court flagrantly transgressed the law of justice by enforcing the point of honor.

I am aware that the common understanding of the word justice is: What the statute law allows. But this is not that lofty conception of justice which we term Equity. I therefore wish it to be distinctly understood that I use the words Justice and Equity interchangeably.

Hence it is apparent that honor is one thing, justice a very different thing. I repeat, no one ever gains justice in our courts of law. Courts should never enforce the point of honor at the expense of justice. Honor is based on mutual consent. But justice is a law of God, absolute in the nature of things, and is in no respect correlated with the honor, the caprice, or the avarice of man.

I now pass from this simple illustration of justice to its more complex ramifications in trade and commerce. But before I do this I must premise a few thoughts.

When a mathematician essays to demonstrate a problem in geometry, he first lays down certain self-evident propositions, and a

few definitions of terms to which all geometricians are agreed. No matter what may be the varying methods of reasoning by which they demonstrate the same problem, they always arrive, at last, at the same accurate and truthful conclusions.

By a similar method of reasoning I purpose to conduct this investigation. The following axiom is the basis of my reasoning:

The universe is priceless and commercially valueless.

By this I mean that all natural things, which are the product of God, have no pecuniary worth whatsoever. They are necessarily priceless. What is true of the universe as a whole is true of every part, because the whole is the sum of its parts. It is therefore obvious that the sun with its innumerable rays of light, and heat, and its fructifying forces, is priceless. The moon, as it revolves about the earth, causing the ebb and flow of the tides, is priceless. The winds that fan our cheeks, and fill the sails of our merchant marine, driving them from ocean to ocean, and from continent to continent, are priceless. The air we breathe and the waters of the ocean are priceless. The fishes of the sea, the wild birds of the air, and beasts of the field are priceless. The passing clouds, which drop their freight of rain, are priceless. Time, gravity, electricity and magnetism are priceless. The globe on which we live is priceless. The gold, silver, copper, lead, iron, coal, petroleum and precious stones are priceless. The quarries of all stones and the forests of all woods are priceless. The arable lands are priceless. Man, from the crown of his head to the soles of his feet, is priceless. And all the forces that are in him, physical, nervous, intellectual and moral, are priceless. Work, which is neither more nor less than the expenditure of animal force in productive industry, is priceless.

And the utility of all work, whether it be physical or intellectual, is priceless. Because a true measure of any thing must possess the same property and quality as the thing to be measured. Length must be determined by a measure which possesses length, hence the yardstick. The quantity of liquid in a hogshead must be determined by a measure which will hold a given quantity of liquid; hence the gallon. Iron in the bulk must be weighed by a weight which possesses a certain specific gravity; hence the pound avoirdupois. Honesty must be measured by honesty; magnanimity by magnanimity; love by love; intellectual power by intellectual power, &c. , &c. Hence work must

be measured by work, since it cannot be measured by a pecuniary standard. What is true of work is equally true of the utility of all useful service, and also the utility of all labor products. Utility can be measured only by utility. The utility of a drink of water to the thirsty; of medicine to the sick; of a beefsteak, or a barrel of flour, to the hungry; of a house for shelter; of paintings and statuary to the aesthetic taste; of books to the understanding; of inventions and scientific discoveries to production; of morals and love to the weal of the human race—is absolutely inestimable by money or work. Hence utility is priceless. What is true of the whole universe is true of every part.

Thus do we see the universal law of God—That all

Natural Things are Priceless, and that Work Only is Exchangeable.

This argument, a-priori, is verified by Adam Smith in what follows:

In his *Wealth of Nations*, page thirty-eight, he says:—"The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it. What every thing is really worth to the man who has acquired it, and who wants to dispose of it or exchange it for something else, is the toil and trouble which he can save to himself, and which it can impose upon other people. What is bought with money or with goods is purchased by labour, as much as what we require by the toil of our own body. That money or those goods indeed save us this toil. They contain the value of a certain quantity of labour, which we exchange for what is supposed at the time to contain the value of an equal quantity. Labour was the first price, the original purchase money that was paid for all things. It was not by gold or silver, but by labour, that all the wealth of the world was originally purchased; and its value, to those who possess it, and who want to exchange it for some new productions, is precisely equal to the quantity of labor which it can enable them to purchase or command."

On page forty-three, he says:—"Labour is the only universal, as well as the only accurate measure of value, or the only standard by which we can compare the values of different commodities at all times and at all places."

On page fifty-one, he says:—"In that early and rude state of society which precedes the accumulation of stock and the appropriation of land, the proportions of labor necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another."

"If one species of labor should be more severe than another, some allowance will naturally be made for this superior hardship; and the produce of one hour's labor in the one way may frequently exchange for that of two hour's labor in another."

"Or if one species of labor requires an uncommon degree of dexterity and ingenuity, the esteem which men have for such talents, will naturally give a value to their produce, superior to what would be due to the time employed about it. Such talents can seldom be acquired but in consequence of long application, and the superior value of their produce may frequently be more than a reasonable compensation for the time and labor which must be spent in acquiring them."

"In this state of things, the whole produce of labor belongs to the laborer; and the quantity of labor commonly employed in acquiring or producing any commodity, is the only circumstance which can regulate the quantity of labor which it ought commonly to purchase, command, or exchange for."

These quotations are sufficient to show how certainly and truly Adam Smith saw the Law of Equitable Commerce. It is to be deplored, however, that he allowed his mind to be deflected, by land ownership and stocks, from a rigid application of this Law in all the departments of industry and commerce. He assumed that land ownership, including rent, interest and stock dividends are righteous in and of themselves; and therefore did not consider the equity involved in gains made in these ways. This is a fatal oversight, if not a great blunder. For it is impossible to treat of Economics and at the same time ignore duty and morals. Every exchange ought to have a practical moral basis, instead of being effected by and through pure selfishness which is the method of the commercial world bounded by monopoly and competition. 'Tis worse than useless to say that Economics have nothing to do with morals. Why are theft, gambling, and robbery morally wrong? Does the rightfulness or wrongfulness of

such deeds depend upon human assent or dissent? Certainly not. Why so certain? Because gains effected by theft, gambling and robbery are made wholly at the expense of the victims. They are devoid of Justice, therefore they are morally wrong. In like manner, every exchange, to be a moral one, must have equal Work wrought into the products exchanged, or the services rendered. Otherwise, the exchange being unequal, one gains and the other loses; and the extent of the gain measures the injustice of the exchange and the consequent immorality.

As Work is the only economic quantity which enters into equitable commerce, as proven by the above argument a-priori, and affirmed by Adam Smith, and as every commercial transaction to be a moral one must be Just, we are prepared to determine the morality of Rent, Profits, and Interest or Dividends. Before giving an example of any one of these forms of increase, we must first determine the value of an average Day's Work expressed in some exchangeable commodity.

I have somewhere read that the average product of gold per diem, for each worker, in the gold mines of the world, is about four dollars a day; and the average product of wheat about four bushels. For convenience, I shall assume the average value of a day's work to be four dollars, and apply it in the following example of Rent.

A builds a house which cost him one thousand day's work, or \$4,000, and rents it to B at the rate of \$400 per annum. We will assume the wear and tear of the house at the end of the year is covered by an expenditure of thirty dollars. Taxes, including water rates, we will assume to be three per cent., or one hundred and twenty dollars. Now, what does justice require the rent should be? We have already seen that honor demands four hundred dollars, because B has agreed to pay that amount. But justice requires that the landlord be paid but one hundred and fifty dollars. We thus perceive that the difference between what honor demands and justice requires, is two hundred and fifty dollars. This is increase, in the Biblical sense. If B's wages be four dollars a day he would have to work sixty-two and a half days to gain two hundred and fifty dollars, the amount of the increase demanded by the landlord. It is therefore obvious that B is thereby robbed by the force of custom, honor and law to the amount of two hundred and fifty dollars, or sixty-two and one-half day's work.

As the produce of labor is the natural reward or wages of labor, he who builds a house, which another consumes by use, is entitled to the value of the house in work or service. No one can righteously claim more than the replacement of the house. What is true of the whole house is equally true of any fractional part of it. Damage by use should be restored to make the owner of the house whole. This is all that Justice requires. If the landlord gain any more than this, he is in duty bound to give a moral reason for it. There is no escape from this obligation. He must render an account of every dollar he receives, or the tenant becomes a victim of increase. Thou shalt not rob thy neighbor by rent, is as morally obligatory upon landlords, as "Thou shalt not steal" is a law obligatory upon every citizen.

Nor can he screen himself behind the fact that the tenant agrees to pay rent. Such agreements are enforced by law and custom; but they are none the less immoral for that, than would be a purse relinquished to a highway robber, who obtained it at the point of his pistol. Any system of force by which men are compelled to relinquish their money, or their work, without receiving a corresponding equivalent in work or service is—Robbery. Every landlord is guilty of it, honorable though it be, for no one would pay rent, except under compulsion, and the compulsory circumstance is the fact that Land is monopolized and sold. Banish this stupendous iniquity, then Rent would be impossible. It must be done, because it is a flagrant transgression of Natural Law. That men are permitted to live in idleness and luxury through the accumulations of Rent gained at the expense of their neighbors and equals, only reveals the deep depth of moral degradation and destitution to which mankind has sunk. This unsuspected moral destitution has grown out of the fact, that a few men, in all ages, under the brute law of the strongest, have had the power to deprive their neighbors of free access to the soil. This is the Damnable fact of all ages, and the suffering it has entailed upon the human race can never be known or recorded. It is therefore high time that mankind gnashed their teeth at this stupendous and universal iniquity!

It may be asked—"What inducement would landlords have to build houses for the benefit of others if they could not make a profit out of them?" That is simply begging the question, or offering an excuse for robbing by rent, when it is utterly indefensible from the

standpoint of justice. It must be borne in mind that no one would pay rent except under compulsion. The compulsory circumstance is, that land is monopolized and thereby commands a price. Were the land free and priceless, as it is by the will of God, no one would be under the necessity of paying rent. All could have homes and other needful buildings at the simple cost of their erection. The price put upon land is purely arbitrary, and therefore fictitious. The land valuations of all countries are purely arbitrary, having no existence in the nature of things. Land is priceless. The question, therefore, simply points the selfishness of the human nature. No one would build houses if there were no profits to be derived therefrom. Nor would any have occasion to do so if no one had more land than he could individually and economically use. There is land enough for all and to spare. And were it not that this stupendous fabric of iniquity, viz., the monopoly and sale of land, is upheld by law, it would crumble to atoms, and the adhesive power of wealth,—the backbone of monopoly,—would be broken.

When land can command increase, it then becomes possible for merchandise and money to command increase also. Thus it is that the trade and commerce of the world is vitiated by this subtle system of injustice. When the land monopolist can command tribute for the privilege of working the land and the mines, then the way is opened for every form of increase, and every kind of satanic device by which it can be gained. It is the basis of every lie in trade or commerce. It debases the moral nature of man and transforms him into an agent of evil. He becomes morbidly selfish and cruelly exacting, and seeks in every way to gain advantage of his neighbor. The cost and selling price of merchandise are marked in cipher, that the purchaser may not know how much he is victimized by profit. Food is adulterated, goods are misrepresented in quality, and clerical honesty is at a discount. Speculation in stocks, bonds, agricultural products and other merchandise, "corners," and modern banking are traceable to the monopoly and sale of land. Vice, destitution and crime are the logical outcome of this stupendous iniquity. "Vengeance is mine, I will repay,"! saith the Lord. And he does repay for every transgression of his laws. In the economy of God the innocent are the victims of the transgressions of the unrighteous. The wageworkers of the world are the foot-ball of greed. They are robbed on every hand by rent, usury

and increase to the amount of three-fourths of their wages, and their wages are two-thirds too low. "The produce of labor is the natural reward or wages of labor." But the wage-worker never gains it. He is robbed, insulted, maltreated and enslaved. The only reason he is permitted to exist is that the landlord, manufacturer and merchant cannot prosper without him.

We will now consider the Economic Value of acquired talents and genius. While reading this paper to a friend he interjected this query—"Suppose that two boot and shoe factories have equal capitals, say \$100,000, and both employ an equal number of hands. The superintendent of the one has superior mental endowments to that of the other, so that he is enabled to save, by certain economic arrangements, ten thousand dollars a year for the firm by whom he is employed. Is he not thereby entitled to a much larger compensation for the utility of his services than the other superintendent? "

This question confounds supply and demand, or the methods which now obtain in the commercial world, with natural justice. It is a sophistical question, and, therefore, misleading. Let us analyze it.

The question assumes that native superiority of mind has a price, since it is in harmony with the current customs of the manufacturing and commercial world, which has always, for purely selfish ends, arbitrarily rewarded men of superior mental endowments, or men who have a peculiar adaptability for a special calling. As good superintendents are not to be had on call, it is assumed that he who possesses such a gift is entitled to a larger compensation than he who does not.

This assumption, however, is not in harmony with natural justice. All that any superintendent can justly claim is an equitable compensation for work done. The utility of his economic suggestions or ideas is no greater than the utility of the boots and shoes made by the other employees. When he has honestly rendered an account of the work done in the production of his economic thought, and has received as much work in return, or its equivalent in money, justice is done to him. Moreover, the \$10,000 saved by his economic devices are not saved by him alone, but by the conjoint labor of all the employees in the factory. Hence, the honor of the saving belongs to all;

and the value of the product of boots and shoes is determined by the total amount of work wrought into them, which includes wear and tear of machinery, &c. And since a year's products cost \$10,000 less than the product of the other factory, the consumers would thereby be the gainers by that amount. The factory producing the dearer goods must ultimately fail, or be compelled to reduce the price of boots and shoes to the level of the more successful factory.

It must be borne in mind that supply and demand is no more a law of nature than monopoly is. The former is simply the human nature trying to gain something, which another is trying to gain at the same time; while monopoly is the sole power of rendering a particular service. One is antagonized selfishness; the other is not. The former gets what it can; the latter takes all it can. Both, however, have their root in lawless selfishness, and cannot, therefore, have a spark of natural justice in them.

While, therefore, the honor of devising economic plans attaches to the best superintendent, justice requires that he be paid only for the work he does. "*The produce of labor is the natural reward or wages of labor.*" If the superintendent be rewarded for the utility of his services, what must be the reward which attaches to farmers, upon whose products the existence of the human race depends? Since it would be impossible to reward these producers upon the basis of the utility of their products, so would it be equally futile to attempt to reward the utility of any service whatsoever. A true measure of anything must possess the same property and quality as the thing to be measured. Hence, utility, per se, is priceless.

This fundamental truth applies not only to acquired talents, but also to genius. Genius is but an uncommon working capacity in a given direction, agreeably to the will of God. And since it cannot be measured with money, the only economic quantity which genius can exchange, is the product of genius. The righteous value of the product is the amount of work wrought into it. And as genius usually works indefatigably, the value of the product is uncommonly great. A conscientious statement, upon honor, of the amount of work wrought into any product of genius, should be accepted as the economic value of such product.

This principle applies righteously to all inventions and discoveries. Their utility, as useful products, cannot be estimated with money.

Their true value is their cost. As well attempt to estimate the value in use of Newton's discovery of the law of gravitation, or Harvey's discovery of the circulation of the blood, or Shakspeare's plays, or the mariner's compass and chronometer. The utility of anything is simply inestimable. Hence arbitrary money Values put upon human or natural products, is a willful contravention of the Law of Nature which has ordained that the utility of all products, natural and human, shall be had without price.

Thus do we see that the Economic Value of a man, be he a genius, a man of talent, or an ordinary workman—is measured by the amount of useful, honest work he does for the weal of mankind; and not by the amount of wealth he is able to accumulate through selfish cunning, or greedy monopoly. For all wealth gained in excess of what one really produces by the work of his head and hands, is gained at the expense of others. This is Robbery, and is therefore condemned by Justice and morality.

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There is a machine which manufactures chain automatically. I am informed that it is fed from a large coil of wire which is inserted at one end of the machine, and is then so manipulated that the iron comes out at the other end a perfect chain, such as is used to chain dogs, and for other useful purposes, and resembles the old-fashioned pump chain without the knobs.

We will assume that this machine cost one thousand dollars, and that each day's use diminishes its value one dollar, so that in one thousand days the machine is worn out. What would be a just price of a day's product of chain, assuming the wire to cost nothing, and no superintendence to be required?

If it be true that the produce of labor is the natural reward or wages of labor, it logically follows that a day's product of chain is equal in value to the wear and tear of the machine for one day, which is one dollar. Now what is true of this machine is equally true of all productive machinery whatsoever. Were it possible to produce automatically all things needful for man, then the total daily product would be equal in value to the total wear and tear of the machinery. For any charge added to this a moral reason must be given. Now since no moral reason can be given for profit, all incomes gained

from fixed investments are necessarily immoral, as no equivalent in work or service is given for them.

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"If I invent a steel plow and thereby enable farmers to produce ten spears of wheat where but one could be raised by the use of the spade; am I not entitled to a part of the increase in addition to the cost of the plow?"

No! and for the following reasons: If one year's work was consumed in the production of the plow, you would be entitled to receive one year's work in return. If you gain more than this you must necessarily rob some one; for all that you can justly claim is an amount of work, in exchange, equal to the cost of the plow. Should you gain more than this, the increase thus obtained must be taken from the product of the farmer, the value of whose crops is determined by the average amount of work required to produce them. If, therefore, you take increase of the farmer, he must take increase of the miller; the miller of the flour merchant; the flour merchant of the retail dealers, and these of the consumers. Thus it is that commercial justice becomes vitiated; and the chief victims of this system of iniquity are the wage-workers, who at last bear the entire burden of profits, since they have no opportunity to make their loss whole by taking increase of others.

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"A owns a flock of one thousand sheep, and is a well-to-do farmer. B is a friend of A's, but poor. A proposes to lend B five hundred sheep for two years. There are adjacent government lands on which B can feed, tend and fold the sheep. At the end of two years the flock has increased one hundred per cent. How much of the fleeces and the lambs should B return to A for the loan?"

You will at once perceive that this is a test question, put expressly to determine the truthfulness of the premises on which all my reasoning is based. What per cent. of the increase of wool and lambs does justice require that B should return to A? Shall it be one, ten, twenty, fifty, or zero per cent.? I hold it to be a self-evident truth that, "The produce of labor is the natural reward or wages of labor." The converse proposition is equally true, viz.: Idleness produces nothing, and is therefore entitled to nothing.

With these axioms before us, I now proceed to solve the question.

One thousand sheep would require twice as much work to provide fodder for winter feed; twice as much work to feed them; twice as much work to doctor them when sick; twice as much work to wash them in the Spring previous to shearing; twice as much work to clip the fleeces; twice as much work to pack the wool and prepare it for market; and twice as much work to care for the lambs as would be required to superintend and feed five hundred sheep and their progeny. I therefore conclude, from the axiom, that B is entitled to the entire increase incidental to his services, while A is entitled to nothing except the return of five hundred sheep in as good condition, and with as much wool on their backs, as they had when he loaned them. For when A transferred to B the work and care incidental to the preservation of five hundred sheep and their lambs, he necessarily transferred the increase which is the natural reward of B's industry. Thus is the law of justice completely filled, and the theory of interest, promulgated by Henry George, in *Progress and Poverty*, is thereby utterly overthrown.

Moreover, by the very definition of a loan one is precluded from taking increase, since it means—"Anything furnished for temporary use to a person at his request, on condition that the specific thing shall be returned, or its equivalent in kind." And Christianity enjoins, that if a borrower be utterly unable to return the loan, the debt shall be forgiven, as in the example of the Parable of the Two Debtors. Hence increase demanded for a loan is neither just nor magnanimous. "He that hath ears to hear, let him hear."

Thus have I demonstrated that loans, whether they be in the form of money, flocks or herds, machinery, houses, or personal property, are entitled, in equity only to their conservation and return. And the commercial value of the products of machinery, in so far as it automatically displaces work, is determined by its depreciation from use. The cost of replacing the wear and tear is the commercial value of the product. And the commercial value of flocks and herds is determined by the amount of work evolved during their superintendence and care.

Charles E. Hill, Chief Special Agent of the Census Office in New York City, has compiled a table showing the manufacturing industries of the city. The statistics he has gathered do not include the manufacture of cotton, wool, silk goods and mixed textile fabrics, oyster canning and packing, breweries and distilleries, ship building, railroad car repair shops, salt, petroleum mining and refining, and the mining interests of the country. The total number of manufactories outside of these was 11,068.

The amount of capital invested was \$157,581,749. The greatest number of hands employed at any one time was 262,459. The amount paid in wages in the year was \$89,513,934. The material used was valued \$267,043,236, and the product was \$435,422,102.

Here we have all the data necessary from which to determine the average wages paid, and the average percentage on the capital invested. The wages were \$1.12 per day, and the gain for capital was fifty per cent. The average income for the year for each employer was \$7,125, or twenty-two dollars per day, which was twenty times more than the daily wages of each workman. When we consider that the management by employers is of no greater utility than the work done by the humblest employee, such a division of the product is morally monstrous. No wonder there is universal disaffection among employees. No wonder there are strikes, destitution and wrath.

Alas! for the poor and oppressed wage-workers of the world. They are not only victimized by rents and profits, they are also plundered by usury and taxes. Every national, state, municipal and county debt, including the vast accumulations of annual interest, is paid by the farmers, artisans and laborers. Apparently landlords, manufacturers, merchants and bankers pay taxes, but in reality they do not pay one dollar of them, when their net incomes exceed fifteen hundred dollars a year; for I have already shown that work only is exchangeable and that no one can earn more, by an average day's work, than four or five dollars, measured by an average day's product of gold or wheat. Consequently the vast accumulated riches owned by a comparatively few men is sheer robbery. It must be borne in mind that a lifetime of fifty years, given to constant industry, three hundred days to the year, at four dollars a day, would produce a net income of but \$60,000. How then is it possible that any mortal can justly gain sixteen times that amount or one million dollars? And yet there are men

whose reputed wealth is from one hundred to two hundred millions. What a stupendous curse is this! And what a monstrous mockery of Christianity?

It is said, in defense of interest, that a money-lender renders a useful service to the borrower, and is therefore entitled to compensation for the service rendered.

A lends a check for one hundred dollars, at ten per cent, interest, on ample security, for one year. At the expiration of the year he is the recipient of one hundred and ten dollars. Now what equivalent has he given in work or service for the ten dollars of interest? None whatever, except the work of writing the check, which is an amount of service so small that it is not worth mentioning in a commercial transaction. Hence he has gained ten dollars for nothing. In other words, he has robbed his neighbor, under cover of law and custom, of two and one-half day's work, at four dollars a day.

Thus we perceive how it is that the law given by Moses, "Thou shalt take no usury or increase of thy brother" harmonizes with the law of natural justice. We also perceive that an accommodation is not a service. I accommodate my neighbor when I lend him any thing. I render him a service when I do some useful work for him, and not until then. Hence an accommodation is not a service. The latter implies work, the former does not, and work only is exchangeable.

Nor is this all. Both the borrower and lender are guilty of an immorality, because both are dealing in the spirit of injustice. The lender wants something for nothing, and the borrower gives something for nothing, in order, perhaps, that he may take advantage of some one else.

The law of Christian morality is this; "Do good, and lend, hoping for nothing again, and your reward shall be great." I am astonished that noble minded Christian people should quote the Parable of the Talents in justification of the wicked custom of taking usury, or interest. This Parable is simply a material, yet very forcible, illustration of the law of spiritual increase, and is not in any respect a justification of interest. It shows how every act of the mind reads upon the individual, and transforms him into his deed. If the thought be good the effect will be good; if the thought be evil the effect will be evil.

Spiritual increase comes to him who religiously observes this law. Christians, therefore, are in no respect justified in quoting this Parable to screen the conscience from the guilt of sin. Knowing the while that Jesus took a scourge and drove the money changers from the Temple, because they were guilty of the transgression of the law.

Paul, however, says: "Sin is not imputed to him who knoweth not the law!" No conscientious Christian who studies his Bible, and has read Nehemiah, Ezekiel, Jeremiah and David can consistently or truthfully claim that he knew not that usury was unlawful. For Nehemiah, while he was governor of Judea, compelled the nobles and the rich men of Judea to return the one per cent. of the money, wine and oil, which they had exacted of the poor during a great famine. Moreover, he compelled them to relinquish the houses, lands, olive-yards and vine-yards, and also the sons and daughters of the poor who had been sold into bondage as security for loans made by these very rich men and princes. He further declared he would shake them out of Judea, as a man shaketh crumbs out of his apron, if they refused to take an oath before the priests and do as he bade them. They took the oath, and solemnly promised not to again transgress the law. As a consequence the walls of Jerusalem, the holy city, were built up, and the people of Judea became once more prosperous and happy.

Moreover, during the twelve years that Nehemiah reigned as governor of Judea, he refused to receive the salary of the governor, and there were fed at his tables one hundred and fifty of the Jews, and rulers, besides many outsiders. The daily amount of food prepared was one ox and six choice sheep, including fowls, and wines once in ten days. Yet Nehemiah required not the bread of the governor.

I venture the affirmation, there is not, in the history of all the governors, princes, potentates and bishops of the world another example of such glorious magnanimity, patriotism, statesmanship and religious zeal as this. It captivates the imagination, ennobles the heart, and imparts wisdom.

From these things I infer that Christian leadership is worth no more, in dollars and cents, than any other honest toil day for day. Nor has the dignity which attaches to governors, princes, potentates, priests or bishops any pecuniary value whatever. Witness the marvellous dignity of Jesus. Has it, or can it have any pecuniary value? The

very thought is sacrilegious. Dignity is priceless, like virtue and veracity, or benevolence and love. The clergy are the proper conservators of the morals of the people and while it is their duty to say to the members of their flock, Thou shalt do no murder; thou shalt not steal, or bear false witness against thy neighbor, &c.; it is equally their duty to say—Thou shalt not sell land; nor take usury or increase of thy brother; nor use false weights and measures.

It is true the churches have established everywhere eleemosynary institutions to relieve the distress of the poor. And contribution-boxes are passed around with uniform regularity to the same end. And yet right there, in the foremost pews, sit the men and the women, listening to the exposition of the Word, whose conduct, wittingly or unwittingly, is the supreme cause of the very distress they are constantly called upon to relieve. These are the landlords, merchants, bankers, dividend-takers, stock-gamblers, money changers, and those who make corners in gold, currency and agricultural products. These things are done wittingly and brazenly, day by day. O, Jesus, what stupendous crimes are committed under the garb of thy holy name!

Therefore, Adam Smith was in the right when he said—"Labor is the only universal, as well as the only accurate measure of value, or the only standard by which we can compare the values of different commodities at all times and at all places." And he might have added—' ' And the only standard by which all services whatsoever can be measured and exchanged. ' '

It will thus be seen we have been obliged to supply his logical omissions. He recognizes clearly enough that all natural things and forces, including all the forces in man, have no exchangeable value. His fatal omission is the logical application of this law. His mind was warped by watching too closely the selfish operations of the productive and commercial world. He failed to show the immorality of the monopoly and sale of land. While he had the intellectual perception of the pricelessness and unmerchantability of land, he had not a vivid moral consciousness of it. Neither did he morally realize that it is a transgression of Natural Law to put arbitrary pricey on the native capabilities of man. Hence, with all his genius, which was great, he was unwittingly a blind leader of the blind. His statistics avail us little or nothing of essential good. They do not instruct in Moral Law, or teach equitable commerce.

Acquired talents have unquestionably an equitable value. He who has learned how to manipulate his tools, has learned his trade or profession. The work evolved in the school of preparation must be paid for. Assuming the preparation for a given trade or profession to require five years of honest toil, and the average working years of those who follow it to be thirty; then each day's work would be equal to four dollars, plus one-sixth of four dollars which is four dollars, and sixty-six cents per day; the sixty-six cents being the daily cost of preparation. This is all that equity allows, and comports with the proposition that "The produce of labor is the natural reward or wages of labor."

I am aware that to conduct commerce on equitable principles requires a high degree of moral excellence and Christian love. One must be thoroughly alive to duty, and have unbounded faith in perfect righteousness. He must love his neighbor as himself, and God supremely. It is no easy matter to educate the world up to the principles herein set forth for the elimination of commercial injustice and poverty. This task, however, ought to be undertaken by some one. The endeavor cannot be begun too soon in our schools and colleges. At present our institutions of learning, are seminaries of instruction in intellectual gymnastics, and the commencement day is but the beginning of a course of instruction in law, medicine, surgery, theology, the fine arts, banking and commerce; the ultimatum of which is a system of cunningly devised selfish schemes for victimizing everybody.

This is strong language I aver. It is, however, indisputably true. For every intelligent person will bear me witness, that learning is made a mount of advantage to enable the possessor to enrich himself at the expense of others whose circumstances, by reason of their environment, are much lower in the scale of material prosperity and intellectual power. It is also true that the learned and well-to-do victimize each other. Witness the debasement of morals in the professions! Their exactions and greed are known and despised of all men! Nothing can transcend their selfish meanness and hypocritical pretence. The professional fraternities are infected with moral rot; and their example poisons the atmosphere with their infectious lies and religious hypocrisy. Their morbid ambition for wealth demoralizes

society, disgraces religion, and transforms so-called Christian churches into emasculating palaces of fashion and sin.

Witness also the demoralizing influence of the wealth of the As-tors, who are the reputed owners of 6,000 houses in the city of New York. Their net income cannot be less than \$3,000,000 a year. They are the wealthiest landlords in America, and disastrously mephitic to pure Christianity.

"I stood, the other day," says a keen observer of events, "in the vault of the formidable fortress of iron and masonry on Forty-second street, where, last year, the richest nabob in the world locked up his two hundred millions of dollars in stocks, bonds and other securities. It is one of the most redoubtable works of defense on the American continent, though you may not be entirely certain of that by surveying the building from the outside. Its foundations were blasted out of the rock; the front wall is five feet in thickness, and the side and rear walls are three feet, the material used being pressed brick with brown stone trimmings. The beams, girders and main pillars are iron, encased in fireproof material. The doors, window frames and minor partitions are iron, marble and glass. No wood is to be found in the structure. The Great Vault, thirty-six by forty-two feet, of wrought iron, steel and Franklinite iron, is imposing in strength and proportions, and is situated on the ground floor, its four outer doors weigh 8,200 lbs. each, and have every effective and known improvement in defensive devices. A massive wall of masonry surrounds the iron work. The vault, which is burglar, fire and water proof, constitutes a distinct building in itself. The armed watchmen who guard the building day and night are under the strictest discipline, their hourly movements being recorded by an electric clock connecting with various points on each floor of the structure, and there are also wires running to Police Headquarters and the offices of the District Telegraph. In one corner of this great vault, behind heavy iron bars, are the heavier iron doors of the works containing the Vanderbilt securities, which can be opened only by skeleton keys held by the owner alone. I suppose that a hundred trained men in this building, with Gatling guns, could easily defend it against a mob of one hundred thousand assailants; in fact, it could be reduced by nothing less than the continued play of heavy artillery.

It may be a year since Vanderbilt, then 'worth' two hundred millions of dollars, put the larger part of his possessions in the Great Vault. He could not, perhaps, put more than two hundred millions under guard here at that time; but he has added over twelve millions to his fortune within the year, though it has been a poor year.

Thus rapidly does the stupendous volume of his unparalleled pile enlarge! Nothing like such growth of any man's wealth was ever before known in the world. Every year, in the nature of things, the growth increases, so that the estimate of the best informed men is that, by the year 1890, he will be able to pile up not less than three hundred millions in his great iron vault behind walls five feet thick.

Can anything exceed the demoralizing force of such a pile of wealth as this? Behind it one thousand men, with an average wage of two dollars a day, have wrought one hundred thousand days, or three hundred and thirty-three working years to produce it. Then there is the bribery of judges, juries, lawyers, statesmen, lobbyists and witnesses in the damnable business of the getting of it.

"He has added over twelve millions to his fortune within the year, though it has been a poor year."

Twelve millions a year is \$32,876.00 a day; \$1,369.83 an hour; or \$22.81 a minute. Sleeping or waking, idle or industrious, thus does his wealth increase. Unable to count it himself, and being distrustful of men, he has caused to be erected a rock-bound fortress to protect his immorally begotten pelf, and by an electric wire he can call on the police force of the State to protect what has been gained by the basest immorality and flagrant robbery.

It must be borne in mind that I am not inveighing against men, but against a system of unrighteousness which makes possible such conditions and effects.

I can conceive only two remedies: Persistent education in moral commerce. The repeal of all laws guaranteeing protection in the monopoly and sale of land; and all laws guaranteeing the collection of interest or increase. As these methods of gaining riches are proven to be immoral and detrimental to the weal of mankind, they ought not to be protected by Statute Law.

In harmony with the thoughts I have thus presented, the Sage of Concord grandly says:—"Thus is the world delivered into your hands, but on two conditions,—not for property, but for use; use

according to the noble nature of the gifts, and not for toys, not for self-indulgence. Things work to their ends, not to yours, and will certainly defeat any adventurer who fights against this ordination.

The effort of men is to use them for purely private ends. They wish to pocket land and water, and fire and air, and all fruits of these for property, and would like to have Aladdin's lamp to compel darkness, and iron-bound doors and hostile armies, and lions and serpents to serve them like footmen. And they wish the same service from the spiritual faculties. A man has a rare mathematical talent, inviting him to the beautiful secrets of geometry, and wishes to clap a patent on it, or has the fancy and invention of a poet and says: 'I will write a play that shall be repeated in London a hundred nights;' or a military genius, and, instead of using that to defend his country, he says: 'I will fight the battle so as to give me place and political consideration;' or Canning or Thurlow has a genius of debate, and says:—'I will know how with this weapon to defend the cause that will pay best and make me Chancellor or Foreign Secretary.' But this perversion is punished with instant loss of true wisdom and real power.

This world belongs to the energetical. It is a fagot of laws, and a true analysis of these laws, showing how immortal and how selfish they are, would be a wholesome lesson for every time and for this time.

All our political disasters grow as logically out of our attempts in the past to do without justice, as the sinking of some part of your house comes of defect in the foundation. One thing is plain; a certain personal virtue is essential to freedom; and it begins to be doubtful whether our corruption in this country has not gone a little over the mark of safety, so that when canvassed we shall be found to be made up of a majority of reckless self-seekers. The divine knowledge has ebbed out of us, and we do not know enough to be free.

The illusions that strikes me as the masterpiece in that ring of illusions which our life is, is the timidity with which we assert our moral sentiment. We are made of it, the world is built by it, things endure as they share it; all beauty, all health, all intelligence, exist by it; yet we shrink to speak it or to range ourselves by its side. Nay, we presume strength of him or those who deny it. Cities go against it; the college goes against it; the courts snatch at any precedent, at any vicious form of law to rule it out; legislatures listen with appetite to

declamations against it, and vote it down. Every new asserter of the right surprises us, like a man joining the church, and we hardly dare believe he is in earnest.

The cause of right for which we labor never dies, works in long periods, can afford many checks, gains by our defeats, and will know how to compensate our extremest sacrifice. Wrath and petulance may have their short success, but they quickly reach their brief date and decompose, whilst the massive might of ideas is irresistible at last. Whence does this knowledge come? Where is the source of power? The soul of God is poured into the world through the thoughts of men. The world stands on ideas, and not on iron or cotton; and the iron of iron, the fire of fire, the ether and source of all the elements is moral force.

Thus is my thought corroborated and supported by the grandest thinker in America,—Ralph Waldo Emerson. The monopoly of land and the inventive genius of man, I have demonstrated, are the prime factors productive of universal want, destitution and misery, and constitute the chief incentives to all manner of crimes, from petty larceny down to justifiable regicide.

If you have understood my words you have not read in vain. Would we make the world better, nobler, happier, we must make ourselves virtuous by religious discipline. Self-purgation of abnormal selfishness and the spirit of injustice, is the supreme need of the times. When we shall have grown to that exalted state of moral purity which enables one to love his neighbor as himself; then shall we be prepared to enter into that ideal state of co-operative life dreamed of by the Apostles, and taught by Jesus of Nazareth. The commercial law given by Moses, which is the basis of the civil polity of Christendom, must be religiously observed, in spirit and in truth, since it has been abundantly proven by eminent, yet obscure thinkers, to be in harmony with the nature of things—which is the will of God.

The Ideal Man.

I MIGHT rest the argument right here, without any fear of successful contradiction from any quarter. In order, however, that I may make assurance "double sure," I will state succinctly what Christianity is when practically applied to the social state, and thereby show that monopoly and increase are impossible.

Christianity is a system of divine government in imitation of the Infinite Father's love and impartiality to the children of men. God's goodness is never withheld from the human race for a single moment of time. His love is a constant presence like gravity. The evil equally with the good, are the recipients of the divine tenderness and love. In sickness the recuperative forces, which God has planted in every human being, are as instant in their power to restore health and strength to the wicked as to the righteous. The winds and the waters: the rising and the setting of the sun; the auroral light; the twinkle of the stars; the exuberance of the air; the odor of flowers; the blue etherial; the green-carpeted earth; the sombre light of the moon; the glory and majesty of the universe, are mixed blessings to the human race. This impartiality of the love of God, to the children of men, was the special function of Jesus to imitate. The love of the Nazarene Carpenter was precisely analogous to the universal love of God. His magnanimity was on the scale of the Infinite. His love was marvelously impartial in his application of it to the well-being of men. Not the least vestige of selfishness found lodgment in his glowing heart. The rich and the poor, the evil and the good, were equally the recipients of his love. His scathing rebukes of the rich were the chastisements of his love. Perfect love, as it is in Jesus, absolutely excludes every taint of selfishness. Each deed done, every parable spoken, and every speech uttered by him prove it. His entire system of moral philosophy is built on it.

To the rich young man who enquired of Him what he should do to enter into the kingdom, Jesus made this startling response: "If thou wilt be perfect, go and sell" that thou hast, and give to the poor, and thou shall have " treasure in heaven; and come and follow me." When "the young man heard that saying, he went away sorrowful, for he had great possessions."

This largeness of magnanimity and love is the touchstone of Christian perfect-ability. The absolute abnegation of self is the only condition possible whereby one may enter into the kingdom of heaven. Hence Christianity, in its practical relations to the human race, is Unreserved, Universal and Impartial Love.

The love of Jesus is like the rays of the sun, a perennial warmth to the heart of the race. It is the salvation of the world. Into the kingdom of heaven, no selfishness can enter. God's glory is His love. Hence Jesus was the Son of God in this, that he was the expressed image of the Father. The rock on which his church was built was the Love of the Most High. His chosen apostles stood in it, wrought in it, and Judas held the bag, the common treasury of all. Nothing they had or received was mine or thine. In that primitive church, selfishness had no anchorage. The heart, mind and body of Jesus and the apostles were a gratuitous offering to both Jews and Gentiles alike.

After the Pentacostal gathering, the 120 disciples also held all things in common. No one had anything he could call his own. Each wrought in the Lord, in their respective callings, to the extent of his or her ability.

The three thousand converted by Peter also held all things in common. Many were priests and some were very rich men. Barnabas had rich possessions, which he sold, and placed the proceeds at the apostles' feet. Ananias and Sapphira sold a possession, but made a false return of the proceeds of the sale. And Peter, beholding Ananias, said:

"Ananias, why hath Satan filled thine heart to lie to the Holy Ghost, and to keep back part of the price of the land? Whilst it remained, was it not thine own? and after it was sold, was it not in thine own power? Why hast thou conceived this thing in thine heart? Thou hast not lied unto men, but unto God."

Peter beheld the lie, although neither Ananias nor Sapphira had said a word about the sale of the land. How true is it that selfishness cannot enter into the kingdom of heaven.

Among all the apostles, Paul is the most conspicuous, the most learned, and the most glorious and sacrificial example of loyalty to God and the will of his Master. He spent himself day by day, going about from city to city, preaching the gospel of the kingdom, and establishing churches, with a zeal and ardor of love, marvelous to

behold. He declared, with obvious authority, that he who would not work neither should he eat. Moreover, to enforce this law by a memorable example, he ministered to his own needs,, by his. own hands, and scrupulously refrained from being a charge to. the churches he had established. He earned his living by tent making, and what he had to spare he gave to those more needy than himself. Thus did he fulfill, in his daily life, for nearly half a century, the law of perfect love, as it is in Christ Jesus. He died a poor old man, filled with the riches of the perfect love of God.

In the midst of that noble galaxy of disciples, there stands out, like a star of the first magnitude, a woman, whose Christian virtues shine with such conspicuous brilliancy, that she is immortalized by the writer of the Acts of the Apostles. Her name is Tabitha, surnamed Dorcas, who kept an open house, and who made gratuitously, day by day, and year by year, coats and cloaks for the brethren. Her years were filled with the love and goodness of her Master; and she died in the heart of God.

Thus did the Church of Christ hold all things in common. "Neither was there any among them that lacked; for as many as had possessions of lands or houses sold them, and brought the prices of the things that were sold, and laid them down at the Apostle's feet."

From this meagre history of the primitive Christian Church, I infer the character of the government established by Jesus and his Apostles. It is pre-eminently Divine, because it is in imitation of God's impartial goodness to man. Any conduct, therefore, on the part of professing Christians or others, which militates against it, is necessarily immoral and Anti-Christian. "Love thy neighbor as thyself" is a law so overwhelmingly exacting, that anything like murder, theft, lying, duplicity, deceit, false weights or measures, monopoly of land or labor-produces, selfish competition, patents or "corners," rent or increase in any form, are immoralities so monstrous, and so diametrically opposed to the law of perfect love in Christ Jesus, that they have not, and cannot have, any place whatsoever in the Divine Government. When all the produces of industry and all the strength of the body, and the faculties of the mind are consecrated to the common good, every species of selfishness is necessarily excluded. This is the divine government, because it yields the greatest good to the largest number. To this end all Christian morals tend.



If these conclusions be true, then there is not, anywhere on the planet, a single Christian Church, held together in the bonds of perfect love, as it is in Christ Jesus and the apostles.

This will be an unsavory statement to the Christian reader who rests in the complacency of his own righteousness, and who at the same time is guilty of the transgression of the Law. For he who is under the law of Moses is not subject to the law of Christ. Christianity is the fulfillment of the law of righteousness in the spirit of love. Who, in the church, will voluntarily put himself outside the pale of the selfishness of the world, so that while he is in it, he is not of it?

What a splendid opportunity is the present for organizers of capital and of men to set a glorious example of perfect love to the race! Could they do this with humility, as Jesus did when he washed the apostles' feet, we should behold a million hearts lifted up with respect, and love, and gratitude, in a manner this world has never seen!

Glory to the church which will set the example of holding all things in common for the common good!

Glory to the rich farmer who will establish commercial justice on lands now called his own, and recognized as such by law!

Glory to the manufacturer who will hold the management of his factory or mill, and distribute the product equitably among those who produce it!

Glory to the merchant who shall say to his employees, I am now prepared to share with you, on equitable terms, the profits resulting from our conjoint labor!

Glory to the great inventor, scientist, discoverer, civil engineer, architect, astronomer, lawyer, statesman, president or king who shall set the example of unselfish service for the weal of the race!

Glory to the clergyman who preaches Christ in his purity and unselfish devotion to man, and his love to God!

'Tis ideal men like these, with women devoted to God and the Saviour, from whom we may expect the regeneration of the human race. Justice would satisfy everybody. But Christianity would fill all hearts with the kingdom of God, and realize to the human race an amount of liberty and happiness of which it has never dreamed. We need a greater consecration to the Most High, a holier aspiration after

the ideal life of Jesus. He who will set this example, will glorify himself, glorify God, and hasten the kingdom of heaven.

The Rev. Thos. K. Beecher says: "When we have wrought the mechanical equities into our system, so that there are no longer cruel wrongs out-crying; then come the graces, the noblesse oblige of true Christian chivalry."

Great talents, in any direction, imply great obligations. In the economy of God, no one can use them to selfish ends. They are given in trust for a noble purpose. He who uses them selfishly, in a measure, thwarts the plans of the Almighty. As there is no joy equal to that of giving freely what we can easily spare; so there is no task so easy as the outflow of talents or genius agreeably to the gift. The gifts, whatever they may be, should be to universal ends. Man cannot live to himself alone. And as each has a working faculty of some sort, it should be magnanimously used for the common good and to the glory of God.

The diversity of working force should be cemented by the moral sentiments and by love. "A society of equals" were simply intolerable. But he that is greatest will "serve because he is great."¹

This is pure Christianity. He who would gain it, must keep his heart clean and spotless. The Holy Spirit is strong only by purity* Then do we dwell in the presence of God and He in us. Each beholds the other face to face. Then does the heart hate evil, and the possibility of wrong-doing is inversely as we are anchored in the Most High.

To see God truly is to love Him with all the heart, might, mind and strength. And the second great law—"Love thy neighbor as thyself"—becomes easy and inevitable. Selfishness corrodes and imbrutes the Spirit. 'Tis the father of lies and murder; the cause of war, bloodshed, national enmity, malice, uncharitableness, hatred, revenge, heartburnings, universal misery and despair. While Christianity, devoutly embraced, dissolves these evils and makes possible a true Christian chivalry.

Whether, therefore, we view the Industrial Problem from Adam Smith's axiom—"The produce of labor is the natural reward or wages

¹ Rev. T. K. Beecher.

of labor;" or from the standpoint of natural justice, or that of pure practical Christianity—we find that the Mosaic law, which prohibits the sale of land, usury and increase, is in harmony with the nature of things, and is, therefore, divine. We perceive that the transgression of it is the primary cause of the involuntary distress of nations. Nihilism, Socialism, Communism, Internationalism, Labor Reform and Ireland's strike against landlordism, are the inevitable sequences of universal injustice.

Every good man, therefore, should plant his sympathies with those who are the victims of it. They should insist that all statute laws which strengthen and foster these iniquities be immediately repealed. Peace, happiness and permanent prosperity may be predicated of Justice; but there can be no peace, happiness, or permanent prosperity till God's justice is done on earth as it is in the kingdom of heaven.