

### CHAPTER III.

#### THE HISTORICAL GIST OF POLITICAL ECONOMY. THE END OF THE SCIENCE IN THE HIGHER LAW OF PROPERTY.

WE have now drawn the straight line of history, in connection with property, from the beginning of civilization to the present day. But, for the reason that the line is straight, it is short, precluding all details that could possibly be avoided. It presupposes, also, some little information on the part of the reader. Its use is this: it demonstrates practically, through the facts which have constituted human existence, the complete truth, the material actuality, of the principle of property, — that great direct law of the Absolute which was scientifically and ethically established in our first chapter.

The history of the world, so far, fully expresses and materializes that law in its phase of integration and its phase of disintegration, and shows that the phase of re-integration and fulfilment is now in the first process of evolution.

The primeval ages, with their first natural perception of human rights and necessities, laid down the systems and the laws of common property. Those ages, too, were the epochs of right and duty, — the epochs of religion, — of the affirmative on earth, if only the affirmative of the earth's childhood. But the negative — disintegration, decay, evil, death, — these are the only means of growth. The negative is one half of every principle, one half of every fact, one half of every phenomenon. The reverse half of the principle of property came into distinct historic evolution with the individual separateness, the individual selfishness, and so the dearth of patriotism and the general decadence of Rome. It was further exemplified in the results of feudalism, — a system poisoned at the start, and finally rotted to the core from inoculation of Roman example and Roman law. And the epochs which have accomplished this work have been negative in all the rest, — the ages of greed and cunning, conscious and careless wrong, irreligion and littleness, in spite of their conceit, and in spite even of their great and beneficent contributions to the sum of human welfare. The time will soon come, in more respects than one, when our age too will be included among the "dark ages."

But in the phase of re-integration and fulfilment, now beginning its development in the principle of property, we see the affirmative and constructive, the moral and religious, coming back into the most ordinary and practical of human affairs. The question of individuality — of private rights, private judgment, private property, — this question of mere individual welfare, in all its forms, has been considered long enough. The question now is of all these rights, strictly maintained and retained, but subordinated to the universal, — public rights, public judgment, public property, public welfare.

So an age of re-integration — of reconciling and co-ordinating the negative with the affirmative, the new with the old, the evil with the good — must necessarily be an age of reason and of conscience. Its first work, logically and inevitably, must be to prove the absolute truth on which it rests, and the absolute righteousness of that truth.

In regard to the principle of property, this step has already been taken, this ground has already been covered. But here, to the same end, let us take a critical and historical glance at the general field of political economy.

*IloXtriHoi oiHo?-v6jAo?*(universal, governmental house-law), is the logic of practical subsistence, — the explanation of man's relation to what he may eat and what he may own.

But there is no need of re-beginning the subject with Aristotle. The wise, synthetic Greek laid down the definition, and planted the science. But there could be no growth for it while the only real business of the world was war, and while industry was the service of slaves. What use for political economy had Rome when Cicero could be wise in his generation, and yet say: "The gains of merchants, of all who live by labor, are mean and ignoble. Merchandise is a badge of slavery." But in the sixteenth and seventeenth centuries of our Christian era, when commerce had arisen and agriculture had become settled; when blessed gunpowder had been found, and was blowing the mere fighters of the earth to other hells than those of their own making; then inquiring minds began to ask for the causes and ends of work, trade, and money. In Italy, in France, in Spain, in England, the same questions arose at almost the same time. In 1677 Andrew Yarranton seems to have grouped the elements and laid out the march of subsequent British industry; while a few years before, Louis the Fourteenth had called on the banker's clerk, Colbert, to save his realm from " the commercial distress in which two regencies and a weak reign" had involved the *fleur-de-lis*. Henceforward the subject of political economy in its various branches — agriculture, manufacture, trade, money, — became a part of the interest and discussion of the most observing and penetrating minds of Europe, whether John Locke, the elder Mirabeau, or David Hume, until, in the same year with the American Declaration of Independence, Adam Smith issued his "Inquiry into the Nature and Causes of the Wealth of Nations."

Treating production and the causes of improvement in it; the natural distribution of wealth; the functions of capital, labor, wages; the sources of public revenue, and the rightful methods of raising and employing it; the amiable and thoughtful Scotchman endeavored to group the different specialties of a vast theme into something like an exact science.

At that time, it must be observed, the hopes and the aspirations of mankind were becoming greatly exalted in many directions. Man as man,—his own master in all respects, — was asserting himself as never before. Machinery had largely taken the

place of hands, and was swiftly multiplying its forces. Steam had been applied, and its new revelations to Watt gave promise of the wonders it has since achieved. It was the era, too, of Thomas Paine, Thomas Jefferson, and the United States of America. Following speedily, came that tremendous moral and political earthquake, the French Revolution, — starved, depressed, debased humanity exploding at last from the depths, and breaking in pieces the whole hard, heavy crust of an unbearable social fabric. To hopeful and beneficent souls, it seemed indeed as if a new "golden age" was dawning, in which freedom, equality, peace, and plenty, would eventually become the lot of mankind.

But to this agreeable vision, what said the hard head of political economy?

Analyzing production, Adam Smith had laid down the formula that the capital of a nation, — the general fund invested in business, — is the source of wages; and, as only so much can be divided up, the wages of workmen, hence, the industrial compensation of the masses, must depend upon their own number; being high if hands are few, low if hands are numerous.

This proposition seemed harmless enough; and, from the direct, superficial view, at least, was true. But in 1798 it was supplemented by the most ridiculous and essentially atheistic theory, perhaps, that has ever gained any considerable standing in modern thought, — the theory of the Reverend Mr. Malthus, that the plans and ways of God are so inharmonious and inconsequential that the populations of the earth naturally outrun the subsistence provided for them.

According to Malthus himself, in fact, the rule was announced that population doubles in 25 years, while, by no possibility can subsistence increase faster than as the addition of one to one in the same time. Thus, in a quarter of a century, a population of one million would become two millions; and, to this point subsistence might follow, adding its one to one, and feeding the new mouths. But, in another 25 years, population would be four millions, and the support for them only three millions. The next step would be eight millions of people, with subsistence for four millions; and the next, sixteen millions, with food for not a third of them. According to this tendency, of course, the unchecked growth of the human race would presently need all the worlds in the solar universe to make a meal. But, as no more people can live than those who can find something to live on, what is the result? Nature, says Malthus, furnishes a check to population, in the inevitable fact of vice, poverty, and misery, which perpetually cut down human beings and rot them away.

This check is "positive": it takes care of itself. But, in addition to this positive check, may be applied the "preventive," — abstinence from marriage, or certainly from procreation.

We will glance, in a moment, at the decline and fall of the Malthusian theory. Here, it is only necessary to say that, notwithstanding it had no legitimate data of any kind to sustain it, still it was specious enough, and soothing enough to the cowardly selfishness of British greed, just after the days of Marat and Robespierre, to gain wide-spread attention and eager credence; and combined, as it was immediately with Adam Smith's "law of wages," it led to a most remarkable end.

If wages depend on the relation of capital to the number of laborers employed by it, and if laborers tend to increase faster than the earth can produce food and clothing for them, do not wages tend to decrease constantly in amount as they are more and more divided and distributed? And is it not Providence itself that uses poverty, vice and hunger, suffering and death, to fulfil its own requirements? But if so, why should the heart of man hope for a millennium of equality, comfort and beneficence? The world, it appears (in the eyes of the Reverend Mr. Malthus), was not made to realize such a soft, soft dream!

Then, to Malthus, was added David Ricardo, with his analysis of "rent." The cause of rent, says Ricardo, is the limitation of the earth, together with the difference of fertility and situation in its parts. Were land of equal fertility and value everywhere, and were enough to be had by everybody, there would be no such thing as rent. In a new country, where all may help themselves to land, it has no price: the best of it is occupied free. But, after a while, the best is taken up, and then it becomes necessary to utilize poor locations. These poorer locations require more labor to make them equal in production, equal in value, to the best: so the best can now be rented,— the rent being the difference in yield or value between the best and the inferior. Finally all land is reserved, and becomes subject to rent, — which steadily increases with the increase of population, the landlord absorbing more and more profit, the people growing poorer and poorer, as more of them come into competition with each other for the opportunity to labor and to live. This the natural, the inevitable, the established "law of rent"!

Adam Smith, Thomas Robert Malthus, David Ricardo! But even these were not enough. From a new field, yet to the end of the same track, came Charles Darwin, with his doctrine of the "development of the species " and "the survival of the fittest," the fittest meaning the strongest: — this the law of all nature's realms, without exception, — the mineral, the vegetable, the animal, man!

Poor hard-headed political economy! Directly and indirectly, through such aids and authorities, it arrived substantially at this conclusion: that hunger, ignorance, squalor and wretchedness are the dower from heaven to the multitude of mankind, while the good and succulent things of the earth must needs go to the select, aristocratic few. Or

the conclusion may be stated, picturesquely as well as strictly, in this way: the biggest hog has everywhere the moral right to eat all the swill in the trough, because his snout is the stiffest and ugliest. Considering himself born in the likeness of this favored snout, the Christian gentleman of the nineteenth century may grab wealth, build his palace of granite or marble, sit on the velvet of his pew in the most fashionable "house of God," and be justified in permitting the inferior selections of the human type to freeze or starve.

But is such stuff true? Not a bit of it; and every healthful mind knows it. Such "science," such "logic," is about as trustworthy as a vision inspired by the *delirium tremens*.

But the key to the puzzle, then, — where is it? The answer to all this formally correct, specious reasoning, which ends in abortion, with a chuckle from the devil himself, — how find, how state this answer?

It has been both found and stated; and this time the honor belongs, not to Europe, but to America. A clear-headed, patient citizen of the United States has, within the last ten years, completely revolutionized the whole realm of political economy. I refer again to the author of "Progress and Poverty."

Starting anew at the beginning — that is, with Adam Smith, — Henry George, too, propounds the query: "Whence the source of man's wages for his work?" In most instances, as modern society is organized, capital is of course the fund from which wages are paid. But this, after all, is only the immediate, superficial source. How did capital itself come to exist, except as the earnings, the wages of labor, saved and accumulated? What is the source of wages in a new country, where yet the capitalist is not? Plainly enough, in such a case, the pay is directly in the work, — the game shot and bagged, the fish caught, the corn planted and reaped. Essentially, then, fundamentally, wages do not spring from capital; they spring from labor itself. To be got, they must earn themselves at every step. And this is just as much the fact when capital pays them, as when the laborer works for himself. In one instance he pays himself his wages in his own productions; in the other instance he produces something by his day's labor with which he *could* pay himself, or be paid, but which he exchanges for his day's wages. The "law," therefore, that wages are drawn from capital, in the sense that they can be limited by any definite amount of capital, is seen to be not a law, after all, but only a mistake — a solemn farce. The amount of wages in the world can be limited, evidently, by nothing but the demand by all mankind for the productions of labor, — which is as good as infinite; and all that capital can do is either to facilitate or hamper human wants, and human endeavors to supply them.

So much for the great bugaboo of Dr. Adam Smith. Then Mr. George looks at the bugaboo of Malthus; looks at it until it dissolves and disappears.

'T is unnecessary to follow him, in detail, through the somewhat long line of this investigation, a good deal of which, indeed, had been traversed by others. Thirty years ago, for example, Mr. George K. Rickards, of London, in a series of lectures at Oxford, maintained as a strict deduction from facts, that precisely the reverse of the Malthusian doctrine is true, — the support, the wealth of a nation, *tending to increase faster than its population*. This is the position which Mr. George has elaborated and confirmed, very easily and beyond all question.

But Malthus never had any real ground to stand on. His theory was never any thing more than a grotesquely exaggerated inference from observing that, in a new country, where population is needed more than any thing else, and where at the same time social life is narrowed to manual labor, eating, drinking, and propagating, human life may increase with rapidity, as it does among the lower classes in old countries, for the same reasons except one, the need of more people. In no country, on no piece of the earth ever touched for confirmation of the Malthusian theory, have the population been known to reach or approximate the capacity to maintain them. India fails as an illustration; China fails; and poor old Ireland, the favorite illustration, — why, when her people have been starving to death, her exports of food, the rent for English landlords, have always been far more than enough to preserve every Irish life. Moreover, while Malthus was expounding his fancy that a few families, under favorable conditions, would soon crowd the globe, British peerages were constantly lapsing around him, because British families, under the most favorable conditions, were running entirely out.

And, as he had no facts in all history to support him, so, also, he had no analogies in nature. Even before the lectures of Mr. Rickards, Herbert Spencer had shown that, throughout all the realms of existence, reproduction decreases as individuation increases. The lower the form of life, as with vegetables, the greater the fecundity; the higher the animal life, as with man, the weaker the force of procreation, and the physical vigor required to maintain life. This demonstration takes man out of comparison with the vegetable and the lower animal kingdoms, while from just these fertile kingdoms he derives his own support;—a support, too, which can be multiplied indefinitely through his own knowledge and attention.

But why is it not clearly noticed, and frankly stated, that "the great Malthusian theory" was its own suicide, the moment it was propounded. Population, it says, outruns subsistence; hence the necessity, — the provision of nature, — for the "positive check" of poverty, misery, vice, premature death. But there is a "preventive check," —

prudence in the relations of the sexes. These are the two horns of the dilemma. But the first horn is impaled on the second horn. For a little knowledge of physiology can at least render inoperative the seeds of human life, without decreasing or impairing any of its functions, and with no waste other than the universal prodigality of nature, which scatters abroad a hundred promises of fruit for one that arrives at germination and birth. It is the instinct of the yearning, loving, human heart, to bear and to find unmeasured comfort in children; yet, with advancing intelligence in men and women, it is quality of offspring, certainly, rather than excessive number, that is desired. And if, by any possibility, Malthus could have been right in regard to his "positive check," then Annie Besant, instructing the English poor in the "negative check," must be credited today with the best heart and the soundest common-sense in Britain. It would assuredly be better to forestall a superabundance of sons and daughters, than deliberately to raise them up that they might simply be driven into the dripping slaughter-house of monopoly, penury, crime, and destruction, — we ourselves abetting the universal homicide.

So neither Malthus nor Adam Smith, it appears, stands much in the way of a science of political economy, tolerable enough to be a science, also, of justice and mercy. As for Ricardo, we shall shortly find that, in the hands of Henry George, the celebrated expounder of the "law of rent" is merely pushed along one step in his own logic, which is then large enough for a benefaction to the entire human race. Darwin, — evolution, — the development of the species, with the survival of the fittest, — Mr. George does not need to deal with, except incidentally. The theory of evolution is in reality no plea for selfishness and brutality. For, even if man has come up little by little, as a birth through the lower animals, — if his great-grandfather was a monkey, whose great-grandfather was a fish-worm, — still, it is not yet denied that man is not only the highest but the most distinct of all animals, — has arrived at the possession, however he got it, of something which separates him completely from the fish-worm which he digs for bait, and the monkey that he uses to enhance the delights of the hand-organ. This something in man is the self-conscious mind, — the soul, the spirit; — a something which forever solemnly asks: "What is wise, what is true, what is just, what is good?" — and which, having asked, insists that the wise and true, the just and good, be done! For this insistence he has spent his strength and blood through the many ages that we call tradition and history. "The development of the species," then, and the "survival of the fittest," — what can that come to but a general type of man "strong" enough and "fit" enough to be decent and humane? Charles Darwin, that placid, ingenious, industrious observer of many things, may not have seen quite to the bottom of the universe; but there is nothing in his teaching to invert the "golden rule" or diabolize his fellow-creatures.

Having swept the path of political economy clear of the various litter which tripped up

its votaries, Henry George begins his own distinctive work by the inquiry which names his book: Why it is that poverty remains among nations, while progress has found the appliances to produce more wealth than is needed for the comfortable support of every human being. It is not, as he proves, the necessary limitation of wages by capital. It is not that population out-eats subsistence. It is not from any requirement of science that the fittest man must be the most carnivorous and cruel beast. It is not from any inharmony or inefficiency on the part of "Providence." But, if it comes from none of these causes, only one cause is left — the selfishness, or say the ignorance, the inaptitude, of man himself. Or, to use the sedate, technical language of Mr. George and the science of property, "the inquiry is narrowed to the laws of distribution."

"What, then, is the source of wealth? Whence does it come, and whither does it go? What factors enter into the production of it, and what proportions are returned to the several agents of this production?"

To our first question there has never been but one answer. The primary source of all wealth, said Aristotle, is "the bounty of nature." This bounty of nature Henry George sums up as "land"; for without land mankind have no access to air, water, or any thing else. "The material universe," therefore, "outside of man himself," is the original base — the field and mine of all possible wealth.

The next source of wealth is labor. Man applies labor to land — to the bounty of nature, — and procures food, clothing, shelter. He strikes fire. He invents weapons and tools.

Then, after a while, he preserves some of his acquisitions to aid him in acquiring others. As soon as he reaches this point, a third factor enters into production — capital. The man has wealth in store; he is a capitalist.

Land, labor, capital. These three things underlie all wealth and all exchanges of it.

But the division of wealth in modern society? What is returned to these three sources of production? What goes to the possessors of land; what goes to labor; what to capital?

It is easy enough to separate and name these returns. For land, the return is rent. For capital, in the strict sense, wholly apart from land or labor, the return is interest. For labor, it is wages.

Now the wealth of the modern world, especially of Europe and America during the



past hundred years, has increased enormously; not only in the aggregate, but in proportion to population. Have the wages, the returns of labor, increased? Hallam declares they are less now than they were in the middle ages, — a statement which Professor Rogers of Oxford has confirmed in ample detail. Has the rate of interest increased? Not at all; as a rule, it has rather decreased. The third absorbent of wealth, then, — the possession of land, — must have taken all the vast profits of modern progress. Such is the fact. The rent of agricultural land in England is computed to be a 120 times as great, in money, as it was 500 years ago; and 14 times as great in wheat; while in the most thrifty parts of all Europe, the price of farms has doubled during the past 30 years. As for what rent has taken to itself under special opportunities, we have only to think, for an instant, of American cities like New York and Chicago.

With such startling facts before him, no wonder that Henry George sat down to make an exhaustive analysis of rent.

The question, here, was this: What enables the land-owners of the nations to harvest all their own immediate profits, and ultimately the profits of capital and labor besides?

We have already touched the "law of rent," as laid down by Ricardo, and as universally accepted, for one thing, by all competent political economy. Rent is the value of land, annual or in any given time, to personal ownership, and depends on "the margin of cultivation." That is, rent expresses the difference in value between one piece of "the bounty of nature," adapted to any given purpose, but monopolized, and some poorer piece of the bounty of nature, adapted with more work to the same purpose, but which can be occupied free. The saving of labor, as between the two, accrues to the owner of the first in the form of rent. As population increases, and individual occupancy of the bounty of nature extends, the least desirable portions of it are occupied, which, by increased labor, or enhanced mechanical appliances, are still made to yield a living to labor. But, by this time, perhaps, the value of the first reservations has become ten thousand per cent. more than that of the last. This ten thousand per cent. goes to the landlord, and labor remains on the level of a bare living, just where it began. Capital, too, — all capital separate from land-ownership, — stands just where it started; increased wealth, enhanced forces of production, give to it no higher rate of interest.

And now, suppose this individual occupancy and sequestration of the bounty of nature to go on, until all land, all matter on the earth, pass into the hands of a class of land-owners. Capital and labor would evidently be at their absolute mercy, except that the selfishness of this one class would dictate that population should be just kept alive, and that capital should receive just enough interest to keep it in movement. But now, once more, let mechanical invention reach its goal, — let it substantially supersede

labor, — then the landowners would have no further use for capital or labor either, beyond just enough to keep up the supply of mechanism, with a few virtual slaves to handle it. They could legally murder the masses of all mankind, by a lock-out from every means of gaining a living. Doubtless there is no danger of such a result, in spite of our immediate and rapid tendency in that direction; yet it is the logical and inevitable sequence of the private ownership, the individual monopoly, of the bounty of nature, to which alone every human being must resort for subsistence.

Such is the end of the "law of rent." Yes, but it is the end of it in more aspects than one; for it is the destruction of it. It is not "the law of rent" that shall kill mankind, but mankind shall kill "the law of rent."

Let us look into the subject a little further. What is implied, what is to be deduced, even from Ricardo?

According to his law of rent, what is it that really gives value to land? — to the bounty of nature which may at first be had for the taking? It is population. Men and women settle about or on the acres of some squatter, some Marquis of Westminster or an Astor family, — and the mere coming of these men and women, with their labor, their needs, and desires, makes the squatter rich. He may sit still and smoke his pipe; but their being there loads him with wealth! Thus they put the chief value into his possessions. And why should they not take it out again?

There is a very short road from "the law of rent" to the law of God!

At this point, however, it is time to ask if Henry George, the critic of all who preceded him in political economy, has himself covered the whole ground, or the whole ground even to date. The answer must be that he has not. He has swept utterly away all the rubbish, whether resulting from Adam Smith, Malthus, or Ricardo, which made the putative science a justification of inequality in human rights and of tyranny in human government. Henceforth, in political economy, there is no room for the swine's snout, and no excuse for even the cunning fox's thievish nose.

Thus, the negative aim of "Progress and Poverty" is complete, while the literary entertainment is a rival of romance. And in his positive contribution to the march of thought, the march of events, there is no danger that Henry George will ever be refuted, ever undone. He has simply applied the necessity of nature, and so the decree of God, to the question of land. The land of the world belongs to the people of the world, and should be substantially reduced to common property, by taxing the rent out of it in behalf of society and government. Nor is this claim altogether new. John Stuart Mill, Herbert Spencer, and other far-sighted, comprehensive minds, have recognized

it. But Henry George has completed it, settled it. He has approached it from all points — present fact, ancient and modern history, science, ethics, religion. He has left nothing more to be said. To admit his proposition, with his demonstration of it, is merely to possess the capacity of understanding it, and the virtue not to lie. In short, he has precluded every criticism of his book save one: that "Progress and Poverty," while perfectly true as far as it goes, stops short of the end. It is not the largest generalization possible to the subject, and demanded by the public weal. Why?

To reclaim the lost right of the people to the common ownership of land, — to tax out of it the increment which legal larceny has turned over to individuals, — this, Henry George has proved to be just and necessary. But he would make land bear all taxation whatever. Here is the outcome of his work, — his whole practical remedy and result.

But now state this position, just so, to any man with a sound head, however free from selfishness or prejudice, and he will say at once: "The demand is not right and will not work." He may not be able to give the reason for his negative, but he will feel it and know it.

We will state the reason for him.

According to what may be called the abstract definition of "land" by Mr. George, that term includes, "not merely the surface of the earth as distinguished from the water and the air, but the whole material universe outside of man himself." But is it this abstract "land," in whatever form it may be found — as raw material or as re-shaped by the hand of labor, — is it this whole bounty of nature, whether combined or uncombined with other factors, that he would restore to its common owners, by legal confiscation through the tax-collector? Certainly not. It is land, in the ordinary sense, which he means at this point: it is the speculator's reservations, the farm and the city-lot, the acres of the nations. Yet land has, so to speak, been taken out of land, ever since Adam and Eve, and has been transmuted into other forms of wealth. The rich bowels of the earth, — do they not glitter as diamonds and pass current as coins? Are they not piled up in the walls of castles and palaces, warehouses and dwellings, throughout the nations? Do they not span the rivers as bridges, and ride the oceans under pressure of sail and steam? And why should this transmuted land, — the timber and iron and stone of a thousand uses, — be untaxed, while the remaining untransmuted land should bear all taxes? The question is its own answer. The thing is not equitable, is not adequate, and hence is not practicable.

One of the largest hearts in the world, and one of the best heads, has Henry George; but this Achilles, too, we find, has a very vulnerable spot in his heel. His weakness lies in the dictum that what "a man makes or produces is his own, as against all the

world," with the inference that no product of labor should be taxed. Hence he would not tax a palace, but the plot under it. He would not tax a line of steamships, but their wharf. He would not tax a lump of gold, but the hole in the ground out of which it was dug. He would not tax the pen (better than gold), with which he wrote "Progress and Poverty." Distinguishing the common ownership of land from the private ownership of all other things, he says:

"The pen with which I am writing is justly mine. No other human being can rightfully lay claim to it. It has become mine because transferred to me by the stationer, to whom it was transferred by the importer, who obtained the exclusive right to it by transfer from the manufacturer, in whom, by the same process of purchase, vested the rights of those who dug the material from the ground and shaped it into a pen. Thus my exclusive right of ownership in the pen springs from the natural right of the individual to the use of his own faculties."

Now, in courtesy to Henry George, let us take his own golden pen to correct his mistake.

The material to make the pen, he says, was dug out of the ground. This material, then, was "land," and is still "land," only it has been turned into a new form. But all land is common property, in the sense that, whoever may hold it, the rent should be taxed out of it in behalf of all society. But, in that case, why should the land in Henry George's pen, if he wishes to shut it up for his own private use, — this land which is worth an infinitesimal something in the way of rent, — why should it be exempt from taxation, any more than other land? Furthermore, why should that part of the wealth in the pen resulting from labor be exempt from taxation? Mr. George has demonstrated that land derives its value from population, — some value from the first settler who has use for the bounty of nature, and increasing value from other settlers on it and around it. But is not labor largely subject to the same law? Is it not the presence of the people, with their needs and desires, that creates the chief value of every thing else, as well as of land? How much value would attach to labor itself — all the labor of modern civilization, — were it not for men and women — all society — to utilize its products? Again, Mr. George has himself shown, abundantly and conclusively, that the quantity and quality of production, and so the value of labor, is dependent on population. In his disproof of the Malthusian theory — that part of it which asserts decreasing proportional subsistence to increasing proportional population, — he says: "Even if the increase of population does reduce the power of the natural factor of wealth, by compelling resort to poorer soils, it yet so vastly increases the power of the human factor as to more than compensate. Twenty men working together will, where nature is niggardly, produce more than twenty times the wealth that one man can produce where nature is most bountiful. The denser the population the more minute

becomes the subdivision of labor, and hence the very reverse of the Malthusian doctrine is true; and, within the limits which we have reason to suppose increase would still go on, in any given state of civilization a greater number of people can produce a larger proportional amount of wealth and more fully supply their wants, than can a smaller number."

So, in reality, according to Henry George, the products of a man's labor are not altogether dependent on himself, but are aided and increased by the labor of others. There is, strictly, a joint interest in them, — his own and that of society,—in spite of all he can do.

And let us ask one more question. If "land," being the whole bounty of nature, is the common property of mankind, is not the joint ownership inalienable? Is not the title vested in the whole human race, from beginning to end? Whether land, therefore, is left in the earth, or is taken out of the earth and turned into the varied forms of wealth by labor, how can the common ownership of it be forfeited?

There is doubt, it appears, after all, that the part of Henry George's pen which is "land" belongs without reserve to himself; and there is doubt, no less, that the part of the pen which is labor belongs to him without proviso. The truth is that Henry George's defect is here radical. It impairs even his definitions. It leads him, for instance, to exclude the whole bounty of nature from the term "wealth," for he says distinctly that "nothing which nature supplies to man • without his labor is wealth," but that "wealth, as alone the term can be used in political economy, consists of natural products that have been secured, moved, combined, separated, or in other ways modified by human exertion." Yet, if this definition is correct, what does the whole world mean by the term "natural wealth," to designate just what Henry George says is not wealth at all? Have we no right to use it? Or has one gentleman usurped a right in philology which does not belong to him? Surely we need not be too finical about the terminology of political economy. It is only the question of the dinner-pot generalized; and, if we say what we mean, in the most customary and intelligible way, we shall sufficiently maintain both the precision and the dignity of our theme.

But why play with the minor points of this issue? Let us admit — for it is self-evident — the whole of Henry George's claim, that, inasmuch as a man belongs to himself—is the owner of his faculties, — the work done by these faculties must belong to him also. But what has this self-evident truth to do with the inference that nothing but crude, untransmuted land should be taxed? That a man may exercise in production the faculties which belong to him, he must have some piece of the bounty of nature — some piece of what Henry George calls "land" — to exercise those faculties *on*; and so every product arising from the use of his faculties is a combination of land and labor. Land — the bounty of nature — is the objective base of every possible fabric;

and this base, as Mr. George has written his entire book to prove, is inalienable common property. Hence, all that any individual man can do, in production, is to place the stamp of his labor, as a seal of value, upon something as a ground which belongs to society. If the value of his labor — his stamp and seal — could in any way be separated from the rest of the article he produces, and from the relations of all other labor to it, then, certainly, the individual producer would absolutely own such value, and society would have no interest in it, and no right to tax it. But no such separation can be made. Human arithmetic has no way to reach it. All individual ownership, therefore, is subject to a higher title — common ownership. The stamp of man's labor goes over to God's bounty, follows it, and merges in it.

Yet there is no trouble, not the least practical importance, attached to this law, in connection with individual rights or individual interests. For the man who puts his seal of value upon any piece of the bounty of nature can sell it, and buy something else: — he can exchange it, that is, for any other commodity he wants; and in that commodity the value of his own labor, if the exchange is a just one, is perfectly equalized by the value of some other person's labor.

The true law of ownership, then, is this: Mankind, as a whole, own the entire wealth of the world, natural and fabricated; but every individual in the world can command and control any piece of that wealth *according to his normal purchasing-power* — which is the *exact index of the value of his labor, his skill, his pecuniary ability*. But if he wishes to set aside, for his private uses, any portion of the general wealth, whether the piece of property contains his own labor or that of some one else, then he must pay, on that piece of property, the rent of the people's share of value bound up in it; and, if every other member of society pays his proportionate share of such value, exact justice is reached in every respect.

And now we come to our last step: we have only to ascertain what the people's share is, at any and every point of time, in the aggregate wealth of the world. The first chapter of our little essay shows that share to be an *ad-valorem* tax on the property of every generation, exactly proportioned to the death-rate of the population.

So it will not do, we perceive, to follow Henry George in the practical application of his doctrine, confiscating land. Besides being unjust and impolitic, that doctrine leads only to one province of the millennium. Mankind will long honor the guide who fully discovered that province; but *we must occupy the whole realm*. To confiscate the rent of crude, untransmuted land, by taxation in the interest of the people, while permitting transmuted land to go untaxed, — *this is only just half enough*. It is the rent of all wealth whatever that belongs to "the common estate"; and no part of this rent is to be confiscated from some individuals, but the whole of it is to be rigidly collected of all individuals.

Mr. George, therefore, must certainly pay a tax, even on his pen, — a tax which he will doubtless pay most cheerfully, as soon as he perceives that he ought. For Adam Smith was right, after all, — and in a much larger significance than he imagined, — when he laid down his old dictum, that "the subjects of every state ought to contribute toward the support of the government as nearly as possible in proportion to their respective abilities."