

INTRODUCTION.

ABOUT four years ago, David Reeves Smith, the author of a book entitled "Ownership and Sovereignty," honored me with the request that I would use my experience, as a student of literature, to aid him in condensing his work and shaping it for publication.

At that time, I had given no special attention to the subject of political economy. In fact, I was prejudiced against what had been called "the dismal science," which seemed to me to have no head or centre, and to have arrived, withal, at a sort of practical atheism and logical inhumanity. Mr. Smith insisted that he had straightened out the whole tangle to which I objected — that he had analyzed it until he had made the one ultimate generalization, and found the one fundamental principle, underlying the entire realm of economics.

The claim was a large one. But I soon discovered in the claimant a power of analysis, a capacity of construction, and a general scope of intellect such as few men have ever possessed. Let me note one example in a single direction.

I had given much of my own life to the unfashionable study of metaphysics — which is not the hopeless muddle that present materialism supposes, but which men like Sir William Hamilton and Dr. Mansel, not to say Auguste Comte, have left as a seeming abyss of contradictions and futilities, only by their own failure to grasp the thought of two Germans, Kant and Hegel. On this thin crust, as one man at least, Dr. Stirling, of Edinburgh, has shown, stands the whole cob-house of present "scientific skepticism," which is pretty nearly as superficial and unsatisfactory as political economy was before Henry George wrote his "Progress and Poverty," and David Reeves Smith wrote his "Ownership and Sovereignty."

But my point, just here, is this: "On becoming acquainted with Mr. Smith I found that, while he had made no study of the history of philosophy, and was very slightly informed in the technicalities of any philosophical system, he had, unaided and without effort, thought through the entire subject, from John Locke to Herbert Spencer. He knew, in substance all even of philosophy that England, France, and America could teach, having picked it up wild by the way-side. Only the resolution of matter and motion, time and space, into the elemental entity which constitutes them — only Kant's "Deduction of the Categories," and Hegel's "Logic" had escaped this omnivorous thinker, though he had spent his years in constructing railroads and inventing machinery, with now and then some such diversion as tipping over the government of a South American dictator who happened to stand in the way of his business projects.

This man, too, had been familiar with the success of great undertakings, and equally familiar with the obstacles to all grand achievements. He had known what it is to be rich, the pet of millionaires and populace; and he had known what it is to be poor, and to sympathize with men, women, and little children who work too hard that others may not work at all, and who have too little to eat, to wear, and to keep them warm.

The author of "Ownership and Sovereignty" indeed, was a person of almost universal insight and experience. So, without a cordial liking for his subject, I was drawn to him and his book, partly to see what such a man would make of such thing.

I consider that occasion one of the most fortunate of my life, so far, at least, as I have lived for the "pursuit of knowledge."

To edit "Ownership and Sovereignty" was necessarily to study it; and to study it thoroughly was to see that the author had really accomplished what he assumed. But his achievement was in the form of unrelieved statement and definition. His sentences were almost as concrete as cog-wheels, and his whole book was like a piece of machinery. Besides, it stood isolated. No connection with other systems was shown in it. No historical stairs were built, leading up to it. And he had arranged to publish only a limited edition, for special circulation. My friend's book will ultimately be read, perhaps, when mine will have shrunk into a commentary; but, for the general reader of the present day, it seemed necessary to take the one great inclusive principle of "Ownership and Sovereignty" and to re-dress, re-arrange, and elaborate it, from beginning to end. This I have done, in my own way.

Political economy, fully stated, is the science of man's dependence on matter for his earthly existence. This dependence is his natural and inevitable condition — a condition fixed in the framework of the universe, and so is one of the corner-stones of that which is — the Absolute. But if man comes into the world dependent on matter — made so in the general work of God, — then he has a natural and inalienable right in that dependency. It is a right implied and given in his life itself — a natural birthright. In other words, if he has the right to live on earth at all, he has the right to share in that on which all earthly life depends — the bounty of nature, matter, property.

Without looking for help to any preceding investigations, Mr. Smith seems to have reached the principle of ownership by a direct, persistent analysis of the word, property. He went at it as Socrates took the words valor and justice, and generalized all specialties into a universal head. It is easy to follow him now — as easy as it was to follow Columbus with his egg, after he had once set it on end.

Here and there is property. But property of whom? And how came it such? Well, somebody's progenitors seized it, or it was obtained under certain customs and laws. But seizure is not title. And whence the customs and laws? Customs and laws presuppose some reason, some ultimate principle, underlying and including them.

What, again, then, is property? Let us see. It is something held and used for the benefit of the holder. So the use of property, evidently, is the utilization of it for human benefit. But exactly wherein is the full, definite right of man to utilize any thing for his own benefit? Why, that right begins, of necessity, in his very relation to the planet on which he is placed. He must partake of it, or he himself is not. Natural ownership, therefore, is vested in this necessity, fundamental and common to mankind on earth; and all conventional or legal ownership is subject to natural ownership.

That no one ever reasoned thus until the last quarter of our nineteenth century, it would not be quite safe to say. But, prior to David Reeves Smith, I know of no mind, in all history, penetrating and rigid enough in the study of economics to have made the exhaustive statement I now quote:

"The unconscious elements of the universe exist solely and exclusively for the use and benefit of the conscious. This natural, necessary, and indisputable relation — the natural right of the conscious to use or to utilize the unconscious — is the relation of ownership.

"The unconscious element of the universe is wealth, of which the conscious element is the owner. Wealth, having an owner, is property — the property of the owner. The unconscious, in whatever form or mode, all of it, each and every part of it, is the property of the conscious.

"The common ownership, by all the conscious, of all the unconscious, necessarily existing in the nature of things, is an indefeasible, inalienable, natural right, irrevocable and unchangeable while the conscious and the unconscious continue to coexist."

But, continues Mr. Smith:

"It being impossible for all common property to be used in common, distribution becomes necessary, and therefore right; and individuals, thereby acquiring the right to use and utilize the parts allotted to them, become the owners of such parts. Thus individual ownership is established, without in the least impairing or invalidating the

pre-existing and co-existing common ownership. All things at any time owned by individuals, as private property, are, and necessarily must be, common property." Mr. Smith's analysis of ownership having once been made, the world has no possible answer to it save brute force. The announcement of the law is the establishment of it. Its existence is a discovery, not an opinion. Like the law of gravitation, it is a fiat of the cosmos.

To have clearly and completely discovered the higher law of property may some day be accounted the most far-reaching feat of our present age. But more remarkable, to me, than even the analytic insight required for such a task, is the synthetic, constructive genius which enabled Mr. Smith to convert his great general law of absolute ethics into the practical results of mathematics, thus showing how to reach and realize, for every individual, the exact value of his birthright in the common estate. Still, in this direction, too, there was but one line to follow; for only one line had God laid out.

If he had created the earth as the common patrimony of mankind, then every generation of its inhabitants must own it. The general term of ownership, consequently, must be the average span of human life. Do statistics, in modern civilized countries, place this span at fifty years? If so, the territory of those countries should revert from one generation to another, every half-century.

But how make the value of this reversion constant, perpetual, and equal to all, yet disturb no individual right in distributed property?

Beyond all doubt, mistake, or inadequacy, Mr. Smith has answered this momentous question. I will summarize the answer, at the expense of some repetition later, as the rest of my introduction would not be clear without it.

If matter, property, the assets of the earth, revert to the common ownership of its people every 50 years, then one fiftieth of the general value reverts to them in one year. Hence, the annual right of all people in all property is just 2% of its value. Or, a yearly tax of 2% *ad valorem* on all assets is the precise collection due mankind, by virtue of their birthright in the common estate of material existence.

Mr. Smith has named this birth-right and death-rate tax "Natural Rent," — the natural rent, under the higher law of property, due mankind yearly for the use of their estate, from individual sub-owners holding special distributions of it.

I see with certainty that the discovery and announcement here described is the great generalization, thought-form, or category, around which the social organisms of this world are destined, for a long future, to revolve, and to aggregate themselves. A hundred years from today, this statement will be comprehended and appreciated.

But I must now content myself, in these preliminary remarks, with the special illustration of one point, very important to the general mind, as confirmation of what I have said.

One demonstration that the higher law of property is the complete, the absolute foundation of economics, is this: it includes and justifies every previous finding of political science, so far as the finding is a fact, and renders unnecessary every scheme that is partial, unbalanced, and dangerous.

Let me take, at once, the latest and largest field of illustration in this province, although at the expense, once more, of some virtual repetition farther on, for which I do not apologize only because I do not see how to avoid it.

I suppose that what may be termed the "consensus of the competent," in Europe and America, has decided clearly enough that Henry George's "Progress and Poverty" is the most searching and vigorous contribution to political economy that has been made during the present epoch.

But what is the gist of "Progress and Poverty"? It is the claim that land is, of right, common property; the historical proof that it was such under the laws of all ancient nations; and the scientific showing that, as the surface of the earth derives its chief value from the mere presence of population, no one man should be allowed to absorb from it the wealth which his neighbors mostly give to it.

Now, is there any possibility that the human intellect can overthrow these positions taken by Mr. George?

Never. His book is an impregnable fortress in that respect, and he has surrounded his theory with about all the knowledge pertaining to it there is in the world. He is so exhaustive in his facts as to break the very back of denial with the load of his luggage.

Still, Henry George, though unassailable in his data, and right in his theory as far as it goes, is entirely wrong in the outcome of his work, simply because his theory does not go far enough — is not the ultimate generalization of the principle of ownership. Reasoning from a premise incomplete, his conclusion is narrow, partial, and destructive. When he would substantially confiscate land, by making it bear the whole burden of taxation, he would rob good faith and honest toil just as surely as if he should take a farmer's coat from his back, or the watch out of his pocket.

But the higher law of property, the moment it is understood, is seen to include and put in place all the beneficence and utility of Henry George, and to disperse every one of his errors and limitations.

Abstractly, indeed, — and I am obliged to say blindly, — Mr. George makes the same general claim for mankind in the natural right of ownership, that is made concretely, practically, and in full light, by the author of "Ownership and Sovereignty." For Mr. George holds that all men have an equal right to "land": — this is the whole premise and foundation of his work. And he explicitly defines "land" as "not merely the surface of the earth, but the whole material universe outside of man himself." But is not this the same thing as saying that matter is the natural estate of mind — that the conscious owns the unconscious? Certainly it is. And if Henry George had only stuck to his own largest definition of land (though a very bad one) I am not sure but he might have completed the science of political economy.

Still, the definition itself shows mental confusion, and is a usurpation in philology. For there had been an immeasurably better definition in existence, a perfect one in fact, for 2,200 years, when Mr. George sat down to write. In its application to economics, as to many other subjects, Mr. George's "whole material universe outside of man" had been defined by Aristotle. He had called it "the bounty of nature." What an inexact cripple is the word, "land," when it is forced to convey the same meaning!

But having once defined "land" as synonymous with "the bounty of nature," Henry George throws away the definition for all further and practical purposes. When he comes to tax land, he means the actual acres of the earth's surface, just as every one else means. And this land he would tax to the verge of confiscation.

Here is his radical error, the fatal weakness in his logic. For even total confiscation and re-distribution of "land," in the ordinary (and correct) sense, would not restore to mankind equal access to "the bounty of nature." This bounty of nature, in the forms of timber, stone, iron, and what not, has been taken out of land for thousands of years, and transmuted into every thing that man has wrought. Still it is the bounty of nature (and it is "land," in Henry George's larger sense), only it has been mixed with labor.

But why should not the land that has come out of land — the *transmuted* bounty of nature — be recovered to the people, as well as the raw material? Why stop at half the birthright? The halt leaves Mr. George in a most remarkable and indefensible position. As I have said elsewhere, "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."

And he gives what he considers a reason for this line of distinctions. It is this: Inasmuch as a man owns himself, he must own the product of his labor. If, at this point, Mr. George had said, not the *product* but the *value* of labor, he would have been again on the track to complete the science of political economy. It is certainly true that

a man owns the value of his work. So far as it comes wholly out of himself, who else can rightfully claim it? But the product of his work is a very different thing.

For every product arising from the hand of man is a combination. It is in part the bounty of nature (Henry George's "land"); in part, the result of labor. The bounty of nature is the objective base of every possible fabric; and this base, as Mr. George has spent years of thinking to prove, is *inalienable common property*. Hence, according to his own theory and demonstration, if logically followed out, all a man can possibly do in production is to place the stamp of his labor, as a seal of value, on some ground belonging to society. But, when Henry George finished his "Progress and Poverty," he was unable to see how the value of labor can be separated from the base of its product — one to be taxed, the other not. So he chose to ride one horn of a dilemma, instead of to break both horns by solving a problem. And on what a horn of what a dilemma he takes his ride! To prevent labor from being robbed by monopoly in raw land, this benevolent reformer would permit labor to monopolize all the transmuted land of all the ages, and then to put the entire budget of its taxes on the other monopoly.

Happily such a course is unnecessary, impracticable, and impossible. The higher law of property instantly removes all the difficulty in which Henry George became involved.

The value of a man's labor cannot be directly separated from the base of the product it works up. Yet the man who improves any piece of the crude bounty of nature can turn it over to society by selling it, and receive from society, in purchasing any other product, an exact equivalent for his own labor, in the labor of some one else. This is the result of all true exchanges, and is really just what everybody wants.

So an adequate uniform tax on all wealth — a tax used or re-distributed for the common benefit — reaches the same end that would be reached (if the thing could be done at all in that way) by separating the value of labor in every piece of human handiwork from the bounty of nature composing its base, and then taxing the base alone as common property.

Right here, then, we return from the inadequacy of Mr. George to the full light of the higher law of ownership. Mankind, as a whole, own all the wealth of the earth they inhabit, natural or fabricated. But any individual may command and control, consume or bequeath any piece of that wealth, exactly in accordance with his true and just purchasing power — which means the precise value of his work, his skill, his ability. But he who wishes to sequester for himself any part of the general estate, whether it may have been improved by himself or another, must pay for the use of the people's share of value inseparably bound up in it. That share, as we have ascertained, is a rent

or tax, fixed on the natural reversion of all the earth to its sovereign owner, — each generation of mankind, according to their average death-rate.

And now, on completing the introduction to this essay, I wish to impress upon the mind of the reader, with all the emphasis possible to human language, that what I have termed the principle of ownership, or the higher law of property, does not rest for its validity on any man's judgment, advocacy, or opposition. It is not a waif of theory. It is a fixture of the Absolute, imbedded in the constitution of the universe. In other words, it is one of the structural relations between mind and matter, and so is just as actual as mind and matter themselves, or as time and space. But in the evolution of our world, this great fundamental law, like all other basic laws of the cosmos, has come clearly to human view only through a form of individual consciousness specially fitted to find it. The time for it has arrived, and it is here.

When Immanuel Kant had finished his "Critique of Pure Reason," which he should have named, also, the "Solution of Matter," — the most profound piece of analysis ever achieved on earth, — he said of it: "The danger, in this case, is not that of being refuted, but of being misunderstood." In regard to the higher law of property, there is certainly no danger of being refuted, and I fancy there is not much danger of being misunderstood. The law is really too simple — is self-evident, in fact, as soon as it is once taken completely into comprehension. Besides, it is too much needed to settle a wild sea of stormy doubts and lowering questions that will soon engulf Europe and America in general revolution, unless justice be done to the masses of men. In the last chapter of this bit of earnest and conservative writing, I have given the statement of present statistics, that half a dozen grasping individuals own or control one fiftieth of the assets of the United States, while the producing masses of American workmen support their families, as an average, on less than eighty-five cents a day. Let the great monopolies, which have engendered and legalized this state of things, give their screws a few more turns, and I would not insure American property at a premium of fifty cents on the dollar. Nor would I insure some American lives at ninety cents on the dollar.

But all the great occidental civilizations of our time are rushing toward a common crack of doom, like France before her first Revolution, while the rich and the poor, the priests and the politicians, are alike too ignorant and careless to see the cause or suggest the remedy.

In all history there has been but one nation born with the record, that has outlived it. I know not whether it was fifty or a hundred centuries ago, but some powerful ruler once lived in China, who possessed that phenomenon, so unusual, especially among rulers, a long and level head. He perceived that a government, to endure, must so build its institutions that all its subjects can have sufficient food, clothing, and shelter

to sustain life, if nothing more. He perceived, also, that the bold, intelligent, and persistent spirits of a realm, must be afforded outlets for peaceful activity and honor, or else must be allowed to seize, for themselves, outlets of rebellion and destruction. So he organized the legislation of China to compass such ends. For the priest a place was made in the church. For every natural scholar a door was opened into some department of the "civil service." For an applicant of sufficient nerve and endurance, another door opened into the army. So, on, through the various grades of superior endowment. And then it was arranged that the naturally unintelligent and unambitious masses — the useful but non-assertive "Bantams" and "Shanghais" should be guaranteed a plenty of hard and constant work, for which they might always get a little rice and water, a clout and a mat, and a hut in which to sleep off their fatigue.

The wisdom of that ancient son of the sun, elaborated in weary detail throughout the laws and customs of an empire, has handed down that empire, such as it is, from time immemorial to date.

But will the system of China do for the land of Thomas Jefferson and John Brown?

And what if Americans are approaching Chinese poverty, under a government of no system securing to them even a clout, a hut, and a mat, with a bit of rice and a drink of water?

To that end the facts point. Machinery has almost superseded labor. Private monopolies are rapidly fencing in the land and the water. Meanwhile, out of every old jumble of politics and economics some parrot is jabbering about the universal and resistless law of supply and demand.

Grim arguments, too, are rising on the other side. Now and then a few ounces of dynamite get mixed with them, and they explode. But, so far, they are mostly theoretical, and look to various reforms, some of which are certainly important, as far as they go. But no number of special poultices and plasters will ever cure the body politic. A general remedy to change the blood — to make over the whole system — must soon be taken, or the patient will rot with cancer, as Rome did, and will die.

One able and earnest man has become distinguished in our day, by the attempt to discover and prescribe such a great general remedy. That doctor of economics is Henry George. He is my personal friend. But his medicine, as I have shown, contains only in part the ingredients necessary to make it effectual. While it would cleanse and strengthen some of the social functions, it would deplete and poison others. Or, to drop metaphor, the common ownership of land — the confiscation of merely the raw bounty of nature in the interest of mankind — would injure some people quite as much as it would benefit others. Besides, it would be superficial, unnecessary, and

morally wrong. It would be simply a vast monopoly of the manufacturer and the wage-worker against the farmer.

But the higher law of property, announced in this book, is subject to no such objection. It includes every inch of ground covered by Henry George. It is a deed of conveyance to the people of all the untransmuted land in the world; but it conveys to them, also, their exact natural right in all the transmuted land which they have erected on top of the other. It robs neither labor nor capital, but puts a precisely equal burden on both. It is the "golden rule" carried into political economy. It is the democracy of Jefferson, waiving all "glittering generalities," and coming straight down to business.

Had I myself discovered this law, and devised the application of it, I should be as proud of my result as of any piece of finite work that I recall from any epoch.

I can make no claim to such an honor. I have merely perceived the greatness of another's work, and aided him in unfolding it. But I have taken the advice of Emerson, and hitched my "wagon to a star." The true, the universal, the absolute principle of ownership is at once the most portentous and blessed luminary that for many an age has crossed the earth's orbit.