

BOOK IV.



THE DISTRIBUTION OF WEALTH

For "Mars is a tyrant," as Timotheus expresses it; but justice, according to Pindar, "is the rightful sovereign of the world." The things which Homer tells us kings receive from Jove are not machines for taking towns or ships with brazen beaks, but law and justice; these they are to guard and cultivate. And it is not the most warlike, the most violent and sanguinary, but the justest of princes, whom he calls the disciple of Jupiter.—*Plutarch, Demetrius.*

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INTRODUCTION TO BOOK IV.

IN accordance with the earlier usage I have planned the division of political economy for purposes of investigation into three grand divisions: I.—The nature of wealth. II.—The laws of production. III.—The laws of distribution. Having passed through the first two grand divisions, having seen the nature of wealth and the laws of its production, we proceed now to the laws of distribution.

In the branch of political economy to which we now turn lies the heart of all economic controversies. For all disputes as to the nature of wealth and all disputes as to the production of wealth will be found at last to have their real ground in the distribution of wealth. Hence, this, as we shall find, is the part of political economy most beset with confusions. But if we move carefully, making sure as we go of the meaning of the words we use, we shall find no real difficulty.

CHAPTER I.

THE MEANING OF DISTRIBUTION.

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Derivation and uses of the word—Exchange, consumption and taxation not proper divisions of political economy—Need of a consideration of distribution—It is the continuation and end of what begins in production, and thus the final division of political economy—The meaning usually assigned to distribution as an economic term, and its true meaning.

THE word distribution comes from the Latin, *dis*, asunder, and *tribuo*, to give, or *tribuere*, to allot.

The common meaning of distribution differs from that of division by including with the idea of a separation into parts the idea of an apportionment or allotment of these parts, and is that of a division into or a division among.

Thus the distribution of work, or duty, or function is the assignment to each coöperator of a separate part in securing an aggregate result; the distribution of food, or alms, or of a trust fund, involves the allotment of a proper portion of the whole to each of the beneficiaries; the distribution of gas, or water, or heat, or electricity, through a building or city, means the causing of a flow to each part of its proper quota; the distribution of rocks, plants or animals over the globe involves the idea of causes or

laws which have brought them to the places where they are found ; the distribution of weight or strain in a building or structure involves the idea of a division of the aggregate mass or pressure among the various parts ; distribution in logic is the application of a term to all members of a class taken separately, so that what is affirmed or denied of the whole is not merely affirmed or denied of them all collectively, but of each considered independently ; the distribution of things into categories, or species, or genera, in the sciences is the cataloguing of them with reference to their likeness or unlikeness in certain respects of form, origin or quality.

What is called the distribution of mail in a post-office is the reverse, or complement, of what is called the collection of mail. It consists of the separation into pouches or bags according to the common destination of the mail matter brought in for transmission, or of a similar separation of the mail matter received for delivery.

What is called the distribution of type in a printing-office is the reverse, or the complement, of what is called the composition of type. In composition the printer places into a "stick" the letters and spaces in the sequence that forms words. One line composed and "justified" by such changes in spacing as bring it to the exact "measure," he proceeds to compose another line. When his stick contains as many lines as it will conveniently hold he "empties" it on a "galley," from which this "matter" is finally "imposed" in a "form." As many impressions as are desired having been made from the "form" upon paper (or upon a "matrix" if any process of stereotyping is used), what until put to its destined use of printing was "live matter" becomes in the terminology of the printing-office "dead matter," and that the movable types may be used again in composition the printer proceeds to distribute them. If the matter has been thrown into "pi" by an

accident which disarranges the order of the letters in words, "distribution" is a very tedious operation, since each letter has to be separately noted. But if not, the compositor, now become distributor, takes in his left hand so that he can read as much of the "dead matter" as he can conveniently hold, and beginning at the right end of the upper line lifts with the forefinger and thumb of his right hand a word or words, reading with a quick glance as he does so, and moving his hand over the case, releases each letter or space or "quad" (blank) over its appropriate box, from which they may be readily taken for renewed composition.

This is the system of composing and distributing type in use from the time of Gutenberg to the present day. But printing-machines are now (1896) rapidly beginning to supersede hand-work. In these, composition takes place by touches on a keyboard, like that of a typewriter. In the type-using machines the touch on a key brings the letter into place, justification is made afterwards by hand, and distribution is accomplished by revolving the type around a cylinder where by nicks on its body it is carried to its appropriate receptacle. In the type-casting machines, each type is cast as the key is touched, and instead of being distributed is re-melted. In the line-making machines, or linotypes, the composition is of movable matrices, the line is automatically justified by wedges which increase or diminish the space between the words, and is cast on the face of a "slug" by a jet of molten metal. In these there is no distribution; the slugs when no longer needed being thrown into the melting-pot.

As has already been observed, the distribution of wealth in political economy does not include transportation and exchange, as most of the standard economic writers assume. Nor yet is there any logical reason for treating exchange as a separate department in political economy, as

is done by those writers who define political economy as the science which teaches of the laws which regulate the production, distribution and *exchange* of wealth, or as they sometimes phrase it, of the production, *exchange* and distribution of wealth. Transportation and exchange are properly included in production, being a part of the process in which natural objects are by the exertion of human labor better fitted to satisfy the desires of man.

Nor yet again is there any logical reason in the division of the field of the science of political economy for following that department which treats of the distribution of wealth with other departments treating of the consumption of wealth or of taxation, as is done by some of the minor and more recent writers. Taxation is a matter of human law, while the proper subject of science is natural law. Nor does the science of political economy concern itself with consumption. It is finished and done—the purpose for which production began is concluded when it reaches distribution.

The need of a consideration of the distribution of wealth in political economy comes from the coöperative character of the production of wealth in civilization. In the rudest state of humanity, where production is carried on by isolated human units, the product of each unit would in the act of production come into possession of that unit, and there would be no distribution of wealth and no need for considering it.* But in that higher state of humanity where separate units, each moved to action by the motive of satisfying its individual desires, coöperate to production, there necessarily arises when the product has been obtained, the question of its distribution.

Distribution is in fact a continuation of production—the latter part of the same process of which production is the

* Book I., Chapter I.

first part. For the desire which prompts to exertion in production is the desire for satisfaction, and distribution is the process by which what is brought into being by production is carried to the point where it yields satisfaction to desire—which point is the end and aim of production.

In a logical division of the field of political economy, that which relates to the distribution of wealth is the final part. For the beginning of all the actions and movements which political economy is called on to consider is in human desire. And their end and aim is the satisfaction of that desire. When this is reached political economy is finished, and this is reached with the distribution of wealth. With what becomes of wealth after it is distributed political economy has nothing whatever to do. It can take any further account of it only should it be reëntered in the field of political economy as capital, and then only as an original and independent entry. What men choose to do with the wealth that is distributed to them may be of concern to them as individuals, or it may be of concern to the society of which they are a part, but it is of no concern to political economy. The branches of knowledge that consider the ultimate disposition of wealth may be instructive or useful. But they are not included in political economy, which does not embrace all knowledge or any knowledge, but has as a separate science a clear and well-defined field of its own.

If, moved by a desire for potatoes, I dig, or plant, or weed, or gather them, or as a member of the great coöperative association, the body economic, in which civilization consists, I saw or plane, or fish or hunt, or play the fiddle, or preach sermons for the satisfaction of other people who in return will give me potatoes or the means of getting potatoes, the whole transaction originating in my desire for potatoes is finished when I get the potatoes, or rather when they are put at my disposal at

the place contemplated in my desire. Whether I then choose to boil, bake, roast or fry them, to throw them at dogs or to feed them to hogs, to plant them as seed, or to let them decay; to trade them off for other food or other satisfactions, or to transfer them to some one else as a free gift or under promise that by and by he will give me other potatoes or other satisfactions, is something outside of and beyond the series of transactions which originating in my desire for potatoes was ended and finished in my getting potatoes.

As a term of political economy, distribution is usually said to mean the division of the results of production among the persons or classes of persons who have contributed to production. But this as we shall see is misleading, its real meaning being the division into categories corresponding to the categories or factors of production.

In entering on this branch of our inquiry, it will be well to recall what, in Book I., I have dwelt upon at length, and what is here particularly needful to keep in mind, that the laws which it is the proper purpose of political economy to discover are not human laws, but natural laws. From this it follows that our inquiry into the laws of the distribution of wealth is not an inquiry into the municipal laws or human enactments which either here and now, or in any other time and place, prescribe or have prescribed how wealth shall be divided among men. With them we have no concern, unless it may be for purposes of illustration. What we have to seek are those laws of the distribution of wealth which belong to the natural order—laws which are a part of that system or arrangement which constitutes the social organism or body economic, as distinguished from the body politic or state, the Greater Leviathan that makes its appearance with civilization and develops with its advance. These natural laws are in all

times and places the same, and though they may be crossed by human enactment, can never be annulled or swerved by it.

It is more needful to call this to mind, because in what have passed for systematic treatises on political economy the fact that it is with natural laws, not human laws, that the science of political economy is concerned, has in treating of the distribution of wealth been utterly ignored, and even flatly denied.

CHAPTER II.

THE NATURE OF DISTRIBUTION.

SHOWING THE FALLACY OF THE CONTENTION THAT DISTRIBUTION IS A MATTER OF HUMAN LAW; THAT THE NATURAL LAWS OF DISTRIBUTION ARE MANIFEST NOT ON WEALTH ALREADY PRODUCED, BUT ON SUBSEQUENT PRODUCTION; AND THAT THEY ARE MORAL LAWS.

John Stuart Mill's argument that distribution is a matter of human law—Its evidence of the unscientific character of the scholastic economy—The fallacy it involves and the confusion it shows—Illustration from Bedouin and from civilized society—Natural laws of distribution do not act upon wealth already produced, but on future production—Reason of this—Illustration of siphon and analogy of blood.

MILL'S "Principles of Political Economy" is, I think, even at the present day entitled to the rank of the best and most systematic exposition of the scholastically accepted political economy yet written, and as I wish to present in their very strongest form the opinions that I shall controvert, I quote from it the argument from which it is assumed that the laws of distribution with which political economy has to deal are human laws. Mill opens with this argument the second grand division of his work, Book II., entitled "Distribution," which follows his introductory and the thirteen chapters devoted to "Production," and thus states the fundamental principle on which he endeavors to conduct his whole inquiry into distribu-

tion, the principle that distribution is a matter of human institution solely :

The principles which have been set forth in the first part of this treatise, are, in certain respects, strongly distinguished from those, on the consideration of which we are now about to enter. The laws and conditions of the production of wealth, partake of the character of physical truths. There is nothing optional or arbitrary in them. Whatever mankind produce, must be produced in the modes, and under the conditions, imposed by the constitution of external things, and by the inherent properties of their own bodily and mental structure. . . .

But it is not so with the Distribution of Wealth. That is a matter of human institution solely. The things once there, mankind, individually or collectively can do with them as they like. They can place them at the disposal of whomsoever they please, and on whatever terms. Further, in the social state, in every state except total solitude, any disposal whatever of them can only take place by the consent of society, or rather of those who dispose of its active force. Even what a person has produced by his individual toil, unaided by any one, he cannot keep, unless by the permission of society. Not only can society take it from him, but individuals could and would take it from him, if society only remained passive ; if it did not either interfere *en masse*, or employ and pay people for the purpose of preventing him from being disturbed in the possession. The distribution of wealth, therefore, depends on the laws and customs of society. The rules by which it is determined, are what the opinions and feelings of the ruling portion of the community make them, and are very different in different ages and countries ; and might be still more different, if mankind so chose.

The opinions and feelings of mankind, doubtless, are not a matter of chance. They are consequences of the fundamental laws of human nature, combined with the existing state of knowledge and experience, and the existing condition of social institutions and intellectual and moral culture. But the laws of the generation of human opinions are not within our present subject. They are part of the general theory of human progress, a far larger and more difficult subject of inquiry than political economy. We have here to consider, not the causes, but the consequences, of the rules according to which wealth may be distributed. Those, at least, are as little arbitrary, and have as much the character of physical laws, as the laws of production. Human beings can control their own acts, but not the consequences

of their acts either to themselves or to others. Society can subject the distribution of wealth to whatever rules it thinks best; but what practical results will flow from the operation of those rules, must be discovered, like any other physical or mental truths, by observation and reasoning.

We proceed, then, to the consideration of the different modes of distributing the produce of land and labor which have been adopted in practice or may be conceived in theory.*

In all the dreary waste of economic treatises that I have plodded through, this, by a man I greatly esteem, is the best attempt that I know of to explain what is really meant in political economy by laws of distribution. And it is no small evidence of Mill's superiority to those who since the time of Adam Smith had preceded him, and to those who since his own time have followed him, in treatises which bear the stamp of authority in our schools and colleges, that he should feel it incumbent on him even to attempt this explanation. But this attempt brings into clear relief the unscientific character of what had passed and yet still passes as expositions of the science of political economy. In it we are deliberately told that the laws which it is the object of political economy to discover, are, in the first part of its inquiries, natural laws, but that in the later and practically more important part of those inquiries, they are human laws! Political economy of this sort is as incongruous as the image that troubled Nebuchadnezzar, with its head of fine gold and its feet part of iron and part of clay, for in the first part its subject-matter is natural law, and in the last and practically more important, it is human law.

Let us examine this argument carefully, for it is made on behalf of the current political economy by a man who from his twelfth year had been carefully trained in systematic logic and who before he wrote this had won

* Book II., Chapter I., Sec. 1, "Principles of Political Economy."

the highest reputation as a logician, by a great work on systematic logic, that is repeated and accepted to this day by professors of political economy in universities and colleges that make systematic logic a part of their curriculum.

To make this examination is to see that the plausibility of the argument comes from the leading proposition—"The things once there, mankind individually or collectively can do with them as they like." It is evidently this that in the mind of Mill himself and in the minds of the professors and students who have since gone over his "Principles of Political Economy," has seemed to prove beyond peradventure that though the laws of production may be natural laws, the laws of distribution are human laws. For in itself this proposition is a self-evident truth. Nothing, indeed, can be clearer than that "the things once there, mankind individually or collectively can do with them as they like"—that is to say, wealth once produced, human law may distribute it as human will may ordain.

Yet while this proposition that things once there mankind can do with them as they like, is in itself irrefutable, the argument in which it is introduced is an egregious instance of the fallacy called by the logicians *petitio principii*, or begging the question. The question that Mill is arguing is whether what is called in political economy the distribution of wealth is a matter of natural law or a matter of human law, and what he does is to cite the fact that in what is called in human law the distribution of wealth, mankind can do as they like, and assume from that that the distribution of wealth in the economic sense of the term is a matter of human law—"a matter of human institution solely."

Such a fallacy could not have been proposed by Mill, himself a trained logician, nor could it have passed current with the trained logicians who since his time, leaving

their logic behind them, have written treatises on political economy, had it not been for the fact that in the scholastic political economy the real nature of the distribution of wealth has been slurred over and the question of what natural laws may have to do with it utterly ignored. Let us endeavor to settle this:

The original meaning of the word distribution is that of a division into or among. Distribution is thus an action, presupposing an exertion of will, and involving a power of giving that will effect. Now as to things already there, that is to say with wealth that has been already produced, it is perfectly clear that their division or distribution among men is determined entirely by human will backed by human force. With such a distribution nature is not concerned and in it she takes no part. Things already there, wealth already produced, belong to nature only in what logicians would call their accident, matter. But while still subject to material laws, such as the law of gravitation, who shall possess or enjoy them is a matter purely of human will and force. Mankind can place them at the disposal of whomsoever they please and on whatever terms.

Thus, distribution in this sense, the distribution of things already in existence, is indeed a matter solely of human will and power. If I would know the law of distribution in this sense of human law, I cannot look to political economy, but where settled institutions have not grown up or are discarded, must look to the will of the strongest. Where in civilized society it is human institutions that decide among whom wealth shall be divided, as for instance in case of an insolvent, in case of the estate of a deceased person, or in case of controverted ownership, the municipal law governing such distribution is to be found recorded in written or printed statutes, in the decisions of judges or in traditions of common use and

wont. It is in cases of dispute authoritatively expounded by courts, and is carried into effect by sheriffs or constables or other officials having at their back the coercive power of the state, with its sanctions of seizure of property and person, fine, imprisonment and death.

But from its very rudest expression, where what obtains is

“The good old rule,
. the simple plan,
That they should take who have the power,
And they should keep who can,”

to societies where the most elaborate machinery for declaring and enforcing human laws of distribution exists, such laws of distribution always are and always must be based upon human will and human force.

How then can we talk of natural laws of distribution? Laws of nature are not written or printed, or carved on pillars of stone or brass. They have no parliaments, or legislatures, or congresses to enact them, no judges to declare them, no constables to enforce them. What then can we really mean by natural laws of the distribution of wealth? What is the mode or method by which without human agency wealth may be said to be distributed by natural law, and without human agency, among individuals or classes of individuals? Here is the difficulty that not having been cleared up in economic works has given plausibility to the assumption into which the scholastic economy has fallen in assuming that the only laws of distribution with which political economy can deal are not natural laws at all, but only human laws—an assumption that must bring any science of political economy to an end with production.

Laws of nature, as was explained in the first part of this work (Book I., Chapter VIII.), are the names which we give to the invariable uniformities of coexistence and

sequence which we find in external things, and which we call *laws* of nature because our reason apprehends in them the evidence of an originating will, preceding and superior to human will. Let us call in the aid of that most potent instrument of political economy, imaginative experiment, to see if we do not find evidences of such laws of nature, the only laws with which a true science of political economy can deal, in the matter of the distribution of wealth:

A shifting of desert sands reveals to a roving tribe wealth produced in a long dead civilization—rings, coins, bracelets, precious stones and delicately carved marbles. The things *are* there. They have been produced. The tribesmen individually or collectively can do with them as they like—can place them at the disposal of whomsoever they please, and on whatever terms. Nature will not interfere. The desert sand and desert sky, the winds that sweep across it, the sun and moon and stars that look down on it, the living things that prowl or crawl over it, will make no remonstrance whatever the tribesmen may choose to do with this wealth that is there—that has already centuries ago been produced.

But things freshly produced this day or this minute are as truly *here* as things produced centuries ago. Why should not mankind individually or collectively do with them also as they like; place them at the disposal of whomsoever they please and on whatever terms they choose? They could do so with no more remonstrance from the things themselves or from external nature than would attend the rifling of Egyptian tombs by Bedouins. Why should not civilized men rifle the products of farm or mine or mill as soon as they appear? Human law interposes no objection to such collective action, for human law is but an expression of collective human will, and changes or ceases with the changes in that will. Natural law, so far as it is comprehended in what we call physical

law, interposes no objection—the laws of matter and energy in all their forms and combinations pay no heed whatever to human ownership.

Yet it needs no economist to tell us that if in any country the products of a living civilization were treated as the Bedouins treat the products of a dead civilization, the swift result would be fatal to that civilization—would be poverty, famine and death to the people individually and collectively. This result would come utterly irrespective of human law. It would make no difference whether the appropriation of “things once there” without regard to the will of the producer were in defiance of human law or under the sanctions of human law; the result would be the same. The moment producers saw that what they produced might be taken from them without their consent, production would cease and starvation begin. Clearly then, this inevitable result is not a consequence of human law, but a consequence of natural law. Not a consequence of the natural laws of matter and motion, but a consequence of natural laws of a different kind—laws no less immutable than the natural laws of matter and motion.

For natural law is not all comprehended in what we call physical law. Besides the laws of nature which relate to matter and energy, there are also laws of nature that relate to spirit, to thought and will. And should we treat the present products of farm or mine or mill or factory as we may treat the products of a dead civilization, we shall feel the remonstrance of an immutable law of nature wherever we come in conflict with the moral law. This is not to say that any division of wealth that mankind individually or collectively may choose to make will be interfered with or prevented. Things once here, once in existence in the present, are absolutely in the control of the men of the present, and “they can place them at the disposal of whomsoever they please and on whatever terms.” Any

remonstrance of the moral law of nature to their action will not show itself in, or in relation to, these identical things. But it will show itself in the future—in checking or preventing the production of such things. Things once produced *are* then and there already in existence, and may be distributed as mankind may will. But the things on which the natural laws of distribution exert their control are not things already produced, but things which are being, or are yet to be, produced.

In other words, production in political economy is not to be conceived of as something which goes on for a while and then stops, when its product wealth has been brought into being; nor is it to be conceived of as something related only to a production that is finished and done. Both production and distribution are properly conceived of as continuous, resembling not the drawing of water in a bucket but the drawing of water through a pipe—or better still, in the conveyance of water over an elevation by means of a bent pipe or siphon, of which the shorter arm may stand for production and the longer for distribution. It is in our power to tap this longer arm of the pipe at any point below the highest, and take what water is *already there*. But the moment we do so, the continuity of the stream is at an end, and the water will cease to flow.

Production and distribution are in fact not separate things, but two mentally distinguishable parts of one thing—the exertion of human labor in the satisfaction of human desire. Though materially distinguishable, they are as closely related as the two arms of the siphon. And as it is the outflow of water at the longer end of the siphon that is the cause of the inflow of water at the shorter end, so it is that distribution is really the cause of production, not production the cause of distribution. In the ordinary course, things are not distributed because they have been produced, but are produced in order that they may be

distributed. Thus interference with the distribution of wealth is interference with the production of wealth, and shows its effect in lessened production.

To use again the analogy supplied by our material frames. Blood stands in the same relation to the physical body that wealth does to the social body, distributing throughout all parts of the physical frame potentialities akin to those which wealth carries through the social frame. But though the organs that distribute this vital current are different from the organs that produce it, their relations are so intimate that seriously to interfere with the distribution of the blood is necessarily to interfere with its production. Should we say of the blood that passes into the great pumping station, the heart, "It has been produced; it is here, and we may do with it as we please!" and acting on the word, divert it from its course through the organs of distribution—at once the great pump ceases to beat and the organs that produce blood lose their power and begin to decompose.

And as to pierce the heart and divert the blood that has been produced from the natural course of its distribution is to bring about the death of the physical organism most swiftly and certainly, so to interfere with the natural laws of the distribution of wealth is to bring about a like death of the social organism. If we seek for the reason of ruined cities and dead civilizations we shall find it in this.

CHAPTER III.

THE COMMON PERCEPTION OF NATURAL LAW IN DISTRIBUTION.

SHOWING THE COMMON AND INERADICABLE PERCEPTION OF
NATURAL LAWS OF DISTRIBUTION.

Mill's admission of natural law in his argument that distribution is a matter of human law—Sequence and consequence—Human will and the will manifest in nature—Inflexibility of natural laws of distribution—Human will powerless to affect distribution—This shown by attempts to affect distribution through restriction of production—Mill's confusion and his high character.

IT would seem impossible for a man of the logical acumen and training of John Stuart Mill to accept in deference to preconceived opinion, and to justify by such a transparent fallacy, such an incongruous conclusion as that while the laws of political economy relating to production are natural laws, the laws relating to distribution are human laws, without at least a glance towards the truth. And such a sidelong glance we find in the latter part of the argument which in the last chapter was given in full.

To bring this more clearly into view let me print it again, supplying the elisions in brackets, and emphasizing with italics words to which I would direct special attention :

We have here [in political economy] to consider, not the causes, but the *consequences*, of the [human] rules according to which wealth

may be distributed. Those [*consequencs*], at least, are as little arbitrary, and have as much the character of physical laws, as the laws of production. Human beings can control their own acts, but not the *consequences* of their acts either to themselves or to others. Society can subject the distribution of wealth to whatever rules it thinks best; but what *practical results* will flow from the operation of those rules, must be discovered, like any other physical or mental truths, by observation and reasoning.

Here we have, what would hardly be expected from the author of "Mill's System of Logic," an example of that improper use of the word consequence where sequence is really meant, which I referred to in Chapter VIII. of Book I.

To recall what was there said: A sequence is that which follows. To say that one thing is a sequence of another is to say that it has to its antecedent a relation of succession or coming after, but is not necessarily to say that this relation is invariable or causal. But a *consequence* is that which follows *from*. To say that one thing is a consequence of another is really to say that it has to its antecedent not merely a relation of succession, but of invariable succession—the relation namely of effect to cause.

Our disposition to prefer the stronger word leads in common speech to the frequent use of consequence where merely sequence is really meant, or to speak of a result as the consequence of what we know can be only one of the causal elements in bringing it about. If a boy break a window-pane in throwing a stone at a cat, or a man is drowned in going in to swim, we are apt to speak of the one thing as a consequence of the other, though we know that stones are constantly thrown at cats without breaking windows and that men go in to swim without being drowned, and that the result in the particular case was not due to the human action alone, but to the concurrence with it of other causes, such as the force and direction of wind or tide, the attraction of gravitation, etc. This tendency

to a loose use of the word consequence is of little or no moment in common speech, where what is really meant is well understood; but it becomes a fatal source of confusion in philosophical writing, where exactness is necessary, not merely that the writer be understood by the reader, but that he may really understand himself.

Now, what are the things which Mill here speaks of as consequences of human rules according to which wealth may be distributed: the things which (and not the causes of the human rules) we have, he says, to consider in political economy, and which he tells us have as much the character of physical laws as the laws of production, and "must be discovered, like any other physical or mental truths, by observation and reasoning"? They follow, and are thus sequences of human action, or as Mill subsequently speaks of them, "practical results," appearing as invariable uniformities in the actual outcome of man's efforts to regulate the distribution of wealth. But though sequences they clearly are not con-sequences of human action. To say that human beings can control their own acts but not what *follows from* those acts would be to deny the laws of causation. Since these invariable uniformities appearing in the practical results or sequences of man's action cannot be related as effects to man's action as cause, they are not properly con-sequences of man's action, but con-sequences of something independent of man's action.

The truth that Mill vaguely perceives and confusedly states in these sentences is in direct contradiction of his assertion that the distribution of wealth is a matter of human institution solely. It is, that the distribution of wealth is *not* a matter of human institution solely, and does *not* depend upon the laws and customs of society alone; that though human beings may control their own acts towards the distribution of wealth, and frame for their action such laws as the ruling portion of the

community may wish, yet the practical results will not depend on this human action alone, but on that as combined with and dominated by another more permanent and powerful element—a something independent of human action that modifies the practical results of human action towards the distribution of wealth, as gravitation modifies the flight of a cannon ball.

Now these invariable sequences which come out in the practical results of man's action, and which we know only as effects, and cannot relate to man's action as cause, we are compelled by the mental necessity which demands a cause for every effect to refer to a causal antecedent in the nature of things, which, as explained in Book I., we call a law of nature. That is to say, invariable uniformities, modifying the effects of all human action, such as Mill confusedly recognizes in these sentences, are precisely what, apprehending them as manifestations of a higher than human will, we style laws of nature, or natural laws.

Mill's own definition of a law of nature ("System of Logic," Book III., Chapter IV.) is a uniformity in the course of nature, ascertained by what is regarded as a sufficient induction, and reduced to its most simple expression. Thus if observation and reasoning discover in the actual phenomena or practical results of man's action in the distribution of wealth uniformities which swerve or destroy the effect of human action not in exact conformity with them, these are the natural laws of distribution as clearly as similar sequences or uniformities which observation and reasoning discover in the phenomena of production are the natural laws of production. And what Mill is vaguely thinking of and confusedly writing about are clearly the very natural laws of distribution which he says do not exist.

In truth, the distribution of wealth is no more "a matter of human institution solely" than is the production of

wealth. That human beings can control their own acts is true in one case as in the other, only in the same sense and to the same degree. Our will is free. But human will can only affect external nature by taking advantage of natural laws, which in the very name we give them carry the implication of a higher and more constant will. A boy may throw a stone or an artilleryman fire a cannon ball at the moon. If the result depended solely on the human action, both ball and stone would reach the moon. But the governance of natural law—without conformity to which even such action as throwing a stone or firing a cannon ball cannot take place—continuing to modify results, brings both to the ground again, the one in a few feet and the other in a few thousand feet.

And the natural laws which political economy discovers, whether we call them laws of production or laws of distribution, have the same proof, the same sanction and the same constancy as the physical laws. Human laws change, but the natural laws remain, the same yesterday, to-day and to-morrow, world without end; manifestations to us of a will that though we cannot obtain direct knowledge of it through the senses, we can yet see never slumbers nor sleeps and knows not change in jot or tittle.

If I can prove that this inflexibility to human effort is characteristic of the laws of distribution that political economy seeks to discover, I have proved finally and conclusively that the laws of distribution are not human laws, but natural laws. To do this it is only necessary to appeal to facts of common knowledge.

Now the three great laws of distribution, as recognized by all economists, though they are sometimes placed in different order, are the law of wages, the law of interest and the law of rent. Into these three elements or factors, the entire result of production is by natural law distributed. Now I do not of course mean to say that human law may

not take from the part which under the natural law of distribution might be enjoyed by one man or set of men and give it to another, for as I have already said all wealth or any wealth from the moment it is produced is entirely at the disposition of human law, and mankind can do with it as they please. What I mean to say is that human law is utterly powerless directly to alter distribution, so that the laborer as laborer will get more wages or less wages, the capitalist as capitalist more interest or less interest, or the landowner as landowner more rent or less rent, or in any way alter the conditions of distribution fixed by natural law under existing industrial conditions. This has been tried again and again by the strongest governments, and is to some extent still being tried, but always unavailingly.

In England, as in other countries, there have been at various times attempts to regulate wages by law, sometimes to decrease them and sometimes to increase them below or above the level fixed at the time by natural law. But it was found that in the one case no law could prevent the laborer from asking and the employer from paying more than this legal rate when the natural law, or as we usually say the equation of demand and supply, made wages higher, and that no law, even when backed by grants in aid of wages, as was done in England during the beginning of this century, could in the opposite case keep wages at a higher rate. So it has proved with interest. There have been numberless attempts to keep down interest, and the State of New York retains to this day on her statute-book a law limiting, though with considerable holes, the rate of interest to six per cent. But such laws never have succeeded and do not now succeed in keeping interest below the natural rate. Lenders receive and borrowers pay that rate in the form of sales, premiums, discounts and bonuses, where the law forbids them to do it openly. So, too, in

the case of rent. The British Parliament has recently attempted to reduce agricultural rent in certain cases in Ireland by instituting officials with power to fix "fair rents"—what should be paid by the tenant to the landlord. They have in many cases cut down the income of certain of the landlords, but they have not lessened rent. They have merely divided what before went to the landlord between him and the existing tenant, and a new tenant must pay, part in rent to the landlord and part in tenant right to the existing tenant, as much for the use of the land as it would have commanded if this attempt to reduce rent had not been made.

And so it has been with attempts of human law to fix and regulate prices, which involve the same great laws of distribution in combined forms. Human law is always potent to do as mankind will with what has been produced, but it cannot directly affect distribution. That it can reach only through production.

Nothing indeed could be more inconsistent with common perceptions than this notion into which the scholastic economists have fallen, that the distribution of wealth is *less* a matter of natural law than the production of wealth. The fact is (the reason of the fact will be considered hereafter) that the common perceptions of men recognize the immutability of the natural laws of distribution more quickly and more certainly than of the natural laws of production. If we look over the legislation by which the ruling portion of our communities have striven to affect the distribution of wealth, we shall find that (as if conscious of its hopelessness) they have seldom if ever tried directly to affect the distribution of wealth; but have tried to affect distribution indirectly through production.

An English Elizabeth or James wishes to alter the practical outcome of the distribution of wealth in favor of an Essex or Villiers, and to accomplish this imposes

restrictions upon the production of gold lace or playing cards. A Russian Czar desires to alter the distribution of wealth in favor of one of his boyars, and seeks that end by making a tract of land the property of his favorite and forbidding peasants to leave it, thus preventing them from engaging in production except on his terms. Or, to come nearer the present in time and place, a Carnegie or a Wharton wishes to alter distribution in his favor so largely that he may play at building libraries and endowing schools of political economy (?); he seeks his end by getting Congress to restrict the production of iron, steel or nickel, by imposing a duty upon importation.

But it is not alone in the sentences I have reprinted that Mill shows an undefined consciousness that the laws of the distribution of wealth which it is the proper business of political economy to discover are natural laws, not human laws. Though he does not retract his statement that "the distribution of wealth depends on the laws and customs of society," and formally proceeds "to the consideration of the different modes of distributing the produce of land and labor which have been adopted in practice or may be conceived in theory," yet we find him afterwards (Book II., Chapter III., Sec. 1) speaking of laws according to which "the produce distributes itself by the spontaneous action of the interests of those concerned." If there be laws according to which produce *distributes itself*, they certainly cannot be human laws. King Canute, we are told, once tried by edict to turn back the tide; but who has ever dreamed that produce, whether houses or metals or wheat or hay, or even pigs or sheep, could by ukase or irade, act of Parliament or resolution of Congress, be made to *distribute itself*?

The truth is that in the long discussion of the distribution of wealth, which in John Stuart Mill's "Principles of Political Economy" succeeds to what I have quoted, he

neither follows what he formally states, that distribution is a matter of human institution solely, and depends on the laws and customs of society; nor yet does he follow what he confusedly admits, that it is a matter of natural law. Passing to a consideration of the origin of private property in human law, and beginning with Communism and Socialism, the Moravians, the Rappists, the followers of Louis Blanc and Cabet, St. Simonism and Fourierism, he rambles along, mixing what properly belongs to the science of political economy with discussions of competition and custom, slavery, peasant proprietors, metayers, cottiers, the means of abolishing cottier tenancy and popular remedies for low wages, without either clearly giving the laws of distribution or saying what they are. And the reader who wishes to discover what the ablest and most systematic of scholastic economists takes to be the laws of distribution of wealth must after going through this mass of dissertation keep on through some forty chapters or 600 pages more, and finally fish them out for himself—only to find when he gets them or thinks that he gets them, that they do not correlate with each other.

As I have said, I only speak of John Stuart Mill as the best example of what has passed as the scientific exposition of political economy. The same absence of a really scientific method—that is to say the same want of order and precision—will be found in the treatment of distribution in all the treatises of the school of economists, now called the Classical school, of which Mill may be deemed the culmination. And it is to be found in even worse degree in the so-called Historical and Austrian schools which have within recent years succeeded the school of Mill in all our great universities. They are indeed so far behind the predecessors at whom they affect to sneer, that they make no attempt even at order and precision. Who-

ever would have an economic contrast suggested to him like that of Hamlet's "Hyperion to a Satyr," let him compare John Stuart Mill's "Principles of Political Economy" with the most pretentious of recent "Principles of Economics."

CHAPTER IV.

THE REAL DIFFERENCE BETWEEN LAWS OF PRODUCTION AND OF DISTRIBUTION.

SHOWING THAT DISTRIBUTION HAS REFERENCE TO ETHICS, WHILE PRODUCTION HAS NOT.

The laws of production are physical laws; the laws of distribution moral laws, concerned only with spirit—This the reason why the immutable character of the laws of distribution is more quickly and clearly recognized.

MILL is clearly wrong in the distinction which he seeks to draw between the production of wealth and the distribution of wealth with regard to the kind of laws which it is the proper business of these departments of political economy to discover.

But there is an important difference between them which, although he has failed to distinguish it, probably lies in vague way at the bottom of the notion that the laws of production and the laws of distribution are different kinds of laws. It is, that the branch of the science which treats of the distribution of wealth is that in which the relations of political economy to ethics are clearer and closer than in that branch which treats of production.

In short, the distinction between the laws of production and the laws of distribution is not, as is erroneously taught in the scholastic political economy, that the one set of laws

are natural laws, and the other human laws. Both sets of laws are laws of nature. The real distinction is pointed out in the last chapter, that the natural laws of production are physical laws and the natural laws of distribution are moral laws. And it is this that enables us to see in political economy more clearly than in any other science, that the government of the universe is a moral government, having its foundation in justice. Or, to put this idea into terms that fit it for the simplest comprehension, that the Lord our God is a just God.

In considering the production of wealth we are concerned with natural laws of which we can only ask what is, without venturing to raise the question of what ought to be. Even if we can imagine a world in which beings like ourselves could maintain an existence and satisfy their material desires in any other way than by the application of labor to land under relations of uniform sequence not substantially different from those invariable sequences of matter and motion and life and being which we denominate physical laws, we cannot venture to apply to these physical laws, of which we can primarily say only that they exist, any idea of ought. Even in matters as to which we can imagine considerable differences between the physical uniformities that we observe in this world and those that might exist in a world in other respects resembling this—such for instance as might be brought about by a change in the distance of our earth from the sun, or in the inclination of its axis to the ecliptic, or in the density of its atmospheric envelop; or even by a change in such uniformities as seem to us to involve exceptions to a more general uniformity, like that exception to the general law of the contraction of water in cooling which causes it at the freezing-point to expand—there is nothing that has any reference to right or justice, or that arouses in us any perception of ought or duty.

For the perception of right or justice, the recognition of ought or duty, has no connection with or relation to two of the three elements or categories into which we may by analysis resolve the world as it is presented in consciousness to our reasoning faculties. That is to say, right or justice, ought or duty, do not and cannot have any relation either to matter or to energy, but only to spirit. They presuppose conscious will, and cannot be extended beyond the limits in which we recognize or assume a will having freedom to act.

Thus is it that in considering the nature of wealth or the production of wealth we come into no direct and necessary contact with the ethical idea, the idea of right or justice. It is only when and as we endeavor to pierce behind the invariable uniformities of matter and motion to which we give the name of laws of nature and recognize them in our thought as manifestations of an originating or creative spirit, for which our common name is God, in its dealing with other, and though inferior, essentially spiritual beings, that the idea of right or justice can have any place in that branch of political economy which deals with the nature of wealth or the laws of its production.

But the moment we turn from a consideration of the laws of the production of wealth to a consideration of the laws of the distribution of wealth the idea of ought or duty becomes primary. All consideration of distribution involves the ethical principle; is necessarily a consideration of ought or duty—a consideration in which the idea of right or justice is from the very first involved. And this idea cannot be truly conceived of as having limits or being subject to change, for it is an idea or relation, like the idea of a square or of a circle or of parallel lines, which must be the same in any other world, no matter how far separated in space or time, as in this world. It is not without reason that in our colloquial use of the words we

speak of a just man as "a square man" or "a straight man." As Montesquieu says:

Justice is a relation of congruity which really subsists between two things. This relation is always the same, whatever being considers it, whether it be God, or an angel, or lastly a man.

This I take to be the reason of the fact which in Chapter II. of this Book was referred to—that the immutable character of the laws of distribution is even more quickly and clearly recognized than the immutable character of the laws of production. Princes, politicians and legislatures attempt to influence distribution, but they always try to do it, not by aiming at distribution directly but by aiming at distribution indirectly, through laws that directly affect production.

CHAPTER V.

OF PROPERTY.

SHOWING THAT PROPERTY DEPENDS UPON NATURAL LAW.

The law of distribution must be the law which determines ownership—John Stuart Mill recognizes this; but extending his error treats property as a matter of human institution solely—His assertion quoted and examined—His utilitarianism—His further contradictions.

SINCE the distribution of wealth is an assignment of ownership, the laws of distribution must be the laws which determine property in the things produced. Or to put it in another way, the principle which gives ownership must be the principle which determines the distribution of wealth. Thus what we may speak of in political economy as the law of property and the law of distribution are not merely laws of the same kind, springing from the same principle, but are in reality different expressions of the same fundamental law. Hence, in considering the origin and basis of property we come again to the question, is it the law of nature or the laws of man that it is the office of the science of political economy to discover? To say that the distribution of wealth is "a matter of human enactment solely" is to say that property can have no other basis than human law; while to admit any basis of property in laws of nature is to say that the distribution of wealth is a matter of natural law.



It is another evidence of the superiority of John Stuart Mill in logical acumen that he seems to have been the only one of the accredited economic writers who has recognized this necessary relation between the laws of distribution and the origin of property. From the introductory section of his Book "Distribution," the section I have already quoted in full, he proceeds at once to a consideration of the origin of property, and indeed the first two chapters of the Book are entitled "Of Property."

But he is consistent in error. The same want of discrimination that leads him to treat distribution as a matter of human institution solely, leads him to treat property as a matter of human institution solely. Hence, his consideration of property does not, as it should, help him to see the incongruity of the notion that while the laws of production are natural laws the laws of distribution are human laws; but gives to that error such seeming plausibility as one error may give to another. Contradictions and confusions are however as marked in his discussion of property as in his discussion of distribution.

This is shown in the introductory paragraph of his treatment of property, Book II., Chapter I., Sec. 2, which is as follows.

Private property, as an institution, did not owe its origin to any of those considerations of utility, which plead for the maintenance of it when established. Enough is known of rude ages, both from history and from analogous states of society in our own time, to show, that tribunals (which always precede laws) were originally established, not to determine rights, but to repress violence and terminate quarrels. With this object chiefly in view, they naturally enough gave legal effect to first occupancy, by treating as the aggressor the person who first commenced violence, by turning, or attempting to turn, another out of possession. The preservation of the peace, which was the original object of civil government, was thus attained; while by confirming, to those who already possessed it, even what was not the fruit of personal exertion, a guarantee was incidentally given to them and others that they would be protected in what was so.

All this I deny. It is in fact blank contradiction. Let the reader look over and consider it. In the first sentence we are told that private property did not originate in considerations of utility. In the second, that "tribunals (which always precede laws) were originally established, not to determine rights, but to repress violence and terminate quarrels." In the third, that they did this by treating as the aggressor the person who first commenced violence. In the fourth, that the preservation of the peace was the original object of such tribunals, and that by securing possession where there was no right they incidentally secured possession where there was right.

Thus, the first sentence asserts that private property did not originate in considerations of utility, and the three succeeding sentences that it did. For when all consideration of right is eliminated what remains as a reason for the preservation of the peace by the repression of violence and the termination of quarrels, if not the consideration of utility? What Mill tells us, is that society originally acted on the principle of the schoolmaster who says, "If I find any fighting I will not stop to ask the right or wrong, but will flog the boy who struck the first blow, *for* I cannot have the school thrown into disorder." If this is not a substitution of the principle of utility for the principle of right, what is it? And to this contradiction of himself, Mill adds that by confirming wrongful possession, society incidentally guarantees rightful possession!—something in the nature of things as impossible as that two railway trains should pass each other on a single track.

The fact is that Mill in his consideration of property is caught in the toils of that utilitarian philosophy which seeks to make the principle of expediency take the place of the principle of justice. Men can no more do this consistently than they can live without breathing, and Mill in his very attempt to base the institution of property

on human law is driven despite himself into recognizing the moral law, and into talking of right and wrong, of ought and ought not, of just and unjust. Now these are terms which imply a natural law of morality. They can have no meaning whatever if expediency be the basis of property and human law its warrant.

The contradictions of this paragraph are shown through the whole consideration of property it introduces. While he strives to treat property as a matter of human institution solely, yet over and over again we find Mill forced to abandon this position and appeal to something superior to human institution—to right or justice.

Thus, in what follows the paragraph I have quoted, we find statements utterly contradictory of the notion that property has its origin in expediency and is determined by human enactment.

In the very next section to that in which we are told that the origin of property is not in justice but in expediency, not in the desire to determine rights, but the desire to repress violence, we are told (the italics being mine):

The social arrangements of modern Europe commenced from a distribution of property which was the result, not of *just* partition, or acquisition by industry, but of conquest and violence: and notwithstanding what industry has been doing for many centuries to modify the work of force, the system still retains many and large traces of its origin. The laws of property have never yet conformed to the principles on which the *justification* of private property rests. They have made property of things which never *ought* to be made property, and absolute property where only a qualified property *ought* to exist.

Here we are told that, as a matter of fact, human laws of property did not originate in the expediency of repressing violence, but in violence itself; that they have never conformed to what we can only understand as the natural law of property, but have violated that natural law, by treating as property things that under it are not property. For to

say that a human law *ought* to be different from what the legislature enacts is to say that there is a natural law by which human laws are to be tested.

What indeed that natural law of property is by which all human enactments are to be tested, Mill a little later shows himself to be conscious of, for he says :

Private property, in every defense made of it, is supposed to mean the guarantee to individuals of the fruits of their own labor and abstinence.

And this basis of a natural right of property—a right which is unaffected by and independent of all human enactments—is still further on even more definitely and clearly stated :

The institution of property, when limited to its essential elements, consists in the recognition, in each person, of a *right* to the exclusive disposal of what he or she have produced by their own exertions, or received, either by gift or by fair agreement, without force or fraud, from those who produced it. The foundation of the whole is, the *right* of producers to what they themselves have produced.

The *right* of property includes, then, the freedom of acquiring by contract. The *right* of each to what he has produced, implies a *right* to what has been produced by others, if obtained by their free consent.

After thus conceding everything to natural law, Mill becomes concerned again for human law, and appeals to the "categorical imperative" of Kant, the *ought* of moral law, to give sanction under certain circumstances to human law, declaring that :

Possession which has not been legally questioned within a moderate number of years, *ought* to be, as by the laws of all nations it is, a complete title.

Then, recognizing for a moment the incongruity of making legal possession—that is to say possession by

virtue of human law—equivalent to possession by virtue of natural law, he continues :

It is scarcely needful to remark, that these reasons for not disturbing acts of injustice of old date, cannot apply to *unjust* systems or institutions; since a bad law or usage is not one bad act, in the remote past, but a perpetual repetition of bad acts, as long as the law or usage lasts.

Now property, Mill himself has always spoken of as a system or institution, which it certainly is. And he has just before stated that the existing systems or institutions of property have their source in violence and force, and therefore are certainly in his own view unjust and bad. Hence what he tells us here is in plain English that the sanction of prescription cannot be pleaded in defense of property condemned by the natural or moral law. This is perfectly true, but it is in utter contradiction of the notion that property is a matter of human law.

CHAPTER VI.

CAUSE OF CONFUSION AS TO PROPERTY.

SHOWING WHY AND HOW POLITICAL ECONOMISTS FELL INTO SUCH CONFUSIONS WITH REGARD TO PROPERTY.

Mill blinded by the pre-assumption that land is property—He all but states later the true principle of property, but recovers by substituting in place of the economic term "land," the word in its colloquial use—The different senses of the word illustrated from the shore of New York harbor—Mill attempts to justify property in land, but succeeds only in justifying property in wealth.

LET us pause a moment before we go further in our examination of Mill's reasoning. What is it that so perplexes this trained logician and honestly minded man, involving him in such utter contradictions and confusions when he endeavors to trace the basis of property? It is evidently the same thing that has prevented all the scholastic economists, both those who preceded and those who have succeeded him, from giving any clear and consistent statement of the laws of distribution or of the origin of property. This is a pre-assumption they cannot bring themselves to abandon—the pre-assumption that land must be included in the category of property and a place found in the laws of distribution for the income of landowners. Since natural law can take no cognizance of the ownership of land, they are driven in order to support

this pre-assumption to treat distribution and property as matters of human institution solely.

Mill, who though befogged by his utilitarian philosophy is in many respects the superior of all these writers, starts on his investigation of distribution and property with the same pre-assumption, or, to use our colloquial phrase, with the same "string tied to his leg." He had been, as they all have been—from the really great Adam Smith to the most recent purveyors of economic nonsense in Anglo-German jargon—accustomed to regard property in land as the most certain, most permanent, most tangible, of all property—that which the lawyers call *real* property, and which in common speech, where the unqualified word "property" usually means landed property, is recognized as the highest expression of ownership. And his logic was not strong enough to permit him even at its call to lay rude hands upon what to Englishmen of his class and time was the most sacred of institutions—what the very Ark of the Covenant was to the pious Jew. He did indeed, come so near questioning it as to excite the dismay of his contemporaries who deemed him a radical of radicals for utterances that squint towards the truth. But he always draws back from uttering it.

The real basis of property, the real fundamental law of distribution, is so clear that no one who attempts to reason can utterly and consistently ignore it. It is the natural law which gives the product to the producer. But this cannot be made to cover property in land. Hence the persistent effort to find the origin of property in human law and its base in expediency. It is evident, even where Mill speaks of property generally, as he has done in what I have to this point commented on, that the real cause of his contradictions and confusions is that he has always in mind property in land. But the failure of the attempt to bring this species of property under the only possible

justification of property, the right of the producer to the product, is even more painfully clear when he comes, as he does in Chapter II., Sec. 3, specifically to treat of it.

He begins this by another admission of the truth utterly inconsistent with the derivation of property from expediency; saying:

Nothing is implied in property but the right of each to his (or her) own faculties.

And then after some long disquisitions on bequest and inheritance which I will not comment on here lest it might divert the reader from the main subject, he continues again:

The essential principle of property being to assure to all persons what they have produced by their labor and accumulated by their abstinence, this principle cannot apply to what is not the produce of labor, the raw material of the earth.

Abstinence is not a doing but a not doing, a refraining from consuming. The essential principle of property being to assure to all persons what they have produced by their labor, this of course includes what having been produced by labor is afterwards accumulated by abstinence. These words "and accumulated by their abstinence" are superfluous, having no weight or place in the argument, but their introduction is significant of the disposition to assume that capital rather than labor is the active factor in production.

But though a little superfluous in phrase, this statement is true and clear. In the conflict going on in Mill's mind the perception of a basis of property in natural law seems, in the admission that the principle of property *cannot* apply to land, to have finally conquered both the notion that its basis is in human law and the pre-assumption from which the notion comes.

But this is hardly for a moment. In the next sentence, not paragraph, and on the very same line in the printed page, the pre-assumption that has confused him asserts its power and Mill proceeds to argue that the principle of property *does* apply to land. He does this by what is in reality, though doubtless unconsciously to him, a juggle with words. But as his argument is the stock argument of the scholastic economists, I will quote it in full, distinguishing by italics the sentence already given :

The essential principle of property being to assure to all persons what they have produced by their labor and accumulated by their abstinence, this principle cannot apply to what is not the produce of labor, the raw material of the earth. If the land derived its productive power wholly from nature, and not at all from industry, or if there were any means of discriminating what is derived from each source, it not only would not be necessary, but it would be the height of injustice, to let the gift of nature be engrossed by individuals. The use of the land in agriculture must indeed, for the time being, be of necessity exclusive ; the same person who has plowed and sown must be permitted to reap ; but the land might be occupied for one season only, as among the ancient Germans ; or might be periodically redivided as population increased : or the State might be the universal landlord, and the cultivators tenants under it, either on lease or at will.

But though land is not the produce of industry, most of its valuable qualities are so. Labor is not only requisite for using, but almost equally so for fashioning, the instrument. Considerable labor is often required at the commencement, to clear the land for cultivation. In many cases, even when cleared, its productiveness is wholly the effect of labor and art. The Bedford Level produced little or nothing until artificially drained. The bogs of Ireland, until the same thing is done to them, can produce little besides fuel. One of the barrenest soils in the world, composed of the material of the Goodwin Sands, the Pays de Waes in Flanders, has been so fertilized by industry, as to have become one of the most productive in Europe. Cultivation also requires buildings and fences, which are wholly the produce of labor. The fruits of this industry cannot be reaped in a short period. The labor and outlay are immediate, the benefit is spread over many years, perhaps over all future time. A holder will not incur this labor and outlay when strangers and not himself will

be benefited by it. If he undertakes such improvements, he must have a sufficient period before him in which to profit by them; and he is in no way so sure of having always a sufficient period as when his tenure is perpetual.

These are the reasons which form the justification in an economical point of view, of property in land.

This argument begins by asserting that the principle of property *cannot* apply to land; it ends by asserting that it *does*. The language is loose, for Mill indulges in a practice dangerous where exactness is important, the use of paraphrases for economic terms, such as "raw material of the earth" and "gift of nature" for land; "industry" for labor, and "valuable qualities"* for useful qualities, or productive powers. But carefully to consider these reasons which are held to justify the unjustifiable, is to see that their plausibility is brought about by the same way that a juggler seems to change a watch into a turnip—the substitution of one thing for another thing while attention is distracted. In this case the substitution is of one sense of a word for another different sense of the same word.

The word land, as before explained, has two senses. One of these is that of the dry and solid superficies of the globe as distinguished from water or air, or that of the cultivatable matter of the earth as distinguished from rock or sand or ice or bog. In this sense we frequently speak of "improved land" or "made land." The other, the economic sense of the word, is that of the natural or passive element in production, including the whole external world, with all its powers, qualities and products, as distinguished from the human or active element, labor, and its sub-element, capital. In this sense we cannot

* Value in political economy should be restricted to value in exchange, and the only sense in which land or other natural objects or their qualities may be said to have value in themselves is that of value in use. (See Book II., Chapter X.)

speak of "improved land" or "made land." Such phrases would involve contradiction in terms.

Now in the reasoning just quoted Mill slips from one to the other of these two senses of the word land, not merely in the same connection, but in the same sentence, and even as between the noun and its pronoun without notice to the reader and seemingly without consciousness on his own part.

The first suggestion of this substitution comes in the *ifs* of the second sentence. *If*, says Mill, land derived its productive power wholly from nature and not at all from labor, or *if* there were any means of discriminating what is derived from each source, it would be the height of injustice to let land be engrossed by individuals.

Why these *ifs*? Mill is here writing as a political economist, in a work entitled "Principles of Political Economy," and for the purpose in this particular place of discovering whether there is any justification from an economic point of view of property in land. Land, as a term of political economy, *means* that element of productive power derived from nature and not at all from labor. It *has* and can have no other meaning. The first principle of political economy is the distinction between the productive power derived wholly from nature, for which its term is land, and the productive power derived from human exertion, for which its term is labor. Where the reason can find no "means of discriminating what is derived from each source," political economy becomes impossible, and to confuse this discrimination is to abandon political economy.

This is precisely what Mill does, when he goes on in the first sentence of the next paragraph to tell us that "though *land* is not the produce of industry, most of *its* valuable qualities are so." He is abandoning political economy by dropping in the pronoun the sense in which he uses

the word land in the noun, and falling with seeming unconsciousness into the vague sense of common speech. When he says that land is not the produce of industry he uses the word in the economic sense. But when he says that qualities of land are the produce of labor he is using the word in that loose ordinary sense in which we speak of "improved land" or "made land." For what single quality of land in the economic sense of the word is the produce of labor? Is it gravitation? Is it extension? Is it cohesion? Is it chemical affinities or repulsions? Is it the qualities shown in generation and germination and growth? Why, Mill himself in the first chapter of the first book of his "Principles of Political Economy" declares that the primary power of labor, that by which man can alone act on the external world, consists in that power of muscular contraction by means of which he can to some slight extent move or arrest the motion of matter, adding:

Labor, then, in the physical world, is always and solely employed in putting objects in motion; the properties of matter, the laws of nature, do all the rest.

These properties of matter, these laws of nature which when labor changes things in place do all the rest, are qualities of land in the economic sense of the word land. Mill does not mean that *they* are ever the produce of industry? He cannot mean that. The fact is, that abandoning the economic sense of the word land, he resorts to that loose colloquial sense of the word in which we speak of "improving land" or "making land." And it is with illustrations of "improved land" and "made land" that he goes on to show how the qualities of land are products of labor.

Let me too do a little illustrating, for the confusions to which Mill succumbed are in these closing years of the

century being crammed into the minds of young people by a thousand "professors of political economy:"

I am writing these pages on the shore of Long Island, where the Bay of New York contracts to what is called the Narrows, nearly opposite the point where our legalized robbers, the Custom-House officers, board incoming steamers to ask strangers to take their first American swear, and where if false oaths really colored the atmosphere the air would be bluer than is the sky on this gracious day. I turn from my writing-machine to the window, and drink in, with a pleasure that never seems to pall, the glorious panorama.

"What do you see?" If in ordinary talk I were asked this, I should of course say, "I see land and water and sky, ships and houses and light clouds, and the sun, drawing to its setting, over the low green hills of Staten Island, and illuminating all."

But if the question refer to the terms of political economy, I should say, "I see land and wealth." Land, which is the natural factor of production; and wealth, which is the natural factor so changed by the exertion of the human factor, labor, as to fit it for the satisfaction of human desires. For water and clouds, sky and sun, and the stars that will appear when the sun is sunk, are, in the terminology of political economy, as much land as is the dry surface of the earth to which we narrow the meaning of the word in ordinary talk. And the window through which I look; the flowers in the garden; the planted trees of the orchard; the cow that is browsing beneath them; the Shore Road under the window; the vessels that lie at anchor near the bank, and the little pier that juts out from it; the trans-Atlantic liner steaming through the channel; the crowded pleasure-steamers passing by; the puffing tug with its line of mud-scows; the fort and dwellings on the opposite side

of the Narrows; the lighthouse that will soon begin to cast its far-gleaming eye from Sandy Hook; the big wooden elephant of Coney Island; and the graceful sweep of the Brooklyn Bridge, that may be discovered from a little higher up; all alike fall into the economic term wealth—land modified by labor so as to afford satisfaction to human desires. All in this panorama that was before man came here, and would remain were he to go, belongs to the economic category land; while all that has been produced by labor belongs to the economic category wealth, so long as it retains its quality of ministering to human desire.

But on the hither shore, in view from the window, is a little rectangular piece of dry surface, evidently reclaimed from the line of water by filling in with rocks and earth. What is that? In ordinary speech it is land, as distinguished from water, and I should intelligibly indicate its origin by speaking of it as "made land." But in the categories of political economy there is no place for such a term as "made land." For the term land refers only and exclusively to productive powers derived wholly from nature and not at all from industry, and whatever is, and in so far as it is, derived from land by the exertion of labor, is wealth. This bit of dry surface raised above the level of the water by filling in stones and soil, is, in the economic category, not land, but wealth. It has land below it and around it, and the material of which it is composed has been drawn from land; but in itself it is, in the proper speech of political economy, wealth; just as truly as the ships I behold are not land but wealth, though they too have land below them and around them and are composed of materials drawn from land.

Now here is the evident confusion in Mill's thought, which he has perplexed by dropping from the terminology of political economy to the language of ordinary speech.

The Bedford Level, which is land that has been drained; the cultivatable bog of Ireland, which is land that has had a coating of soil put on it; the improved farms he refers to, which are land cleared or manured by labor, belong all of them to the same economic category as the little piece of "made land" visible from my window. In the qualities that he is considering in them they are all of them in the economic meaning not land at all, but wealth; not the free gift of nature, but the toil-earned produce of labor. In this, and so far as these qualities go, but no further—that is, in so far as they are wealth, not land, they are property; not because human agency can add any qualities to the natural factor, land; but because of the natural law of property, which gives to the producer the ownership of what his labor has produced.

Mill seems to think that he has shown the justification of property in land, but the reasons he gives only justify property in the produce of labor; thus in his own case adding a signal instance of the truth of what he has before said that "in every defense made of it, property is supposed to mean the guarantee to individuals of the fruits of their own labor."