

CHAPTER 16 — THE PERMANENCE OF WEALTH

Wealth consists of material things. These things are taken, as it were, by labor from the reservoirs of nature, and by virtue of their materiality tend back to those reservoirs again from the moment they are taken, just as water, taken from the ocean, tends back to the ocean. The great body of wealth is, indeed, produced for immediate consumption. Even the parts not subject to immediate destruction are subject to destruction by the action of the elements, by mechanical and chemical disintegration, and finally by being lost. Indeed, the far greater part of material things, if not absolutely all of them, after they have been brought into existence, require the constant exertion of labor to keep them in existence and prevent their relapsing into nature's reservoirs again.

But things having a value which does not come from the exertion of labor and which represents only the power given by human law, agreement or custom of appropriating the proceeds of exertion, have their real existence in the human mind. The papers which we use in transferring them or proclaiming them are not the things themselves, but merely aids to memory. The essence of a debt is not the due-bill or promissory note, but a moral obligation or mental agreement; the essence of a franchise is not the written charter or engrossed act of legislature, but the will of the sovereign, theoretically supposed to be the will of all; the ownership of land is not in the title-deeds, but in the same sovereign will or supposed general agreement.

Now, the values which cannot be included in the category of wealth are as a class much more enduring than the values which are properly so included. We of the modern civilization generally limit the time during which debts, promissory notes, and similar obligations of the individual can be legally enforced. But there are devices

by which a value which is in reality but an obligation to render future labor may be continued for longer periods; while many values of similar nature we treat as perpetual, as is the case with public debts, with some franchises, and with exclusive rights to land. These may retain their value unimpaired, while the value of the great body of articles of wealth lessens and disappears.

How little of the wealth in existence in England two hundred years ago exists now! And the infinitesimal part that still exists has been maintained in existence only by constant care and toil. But stock in the public debt of England incurred then still retains value. So do perpetual pensions granted to their favorites by English kings long dust. These things have cost no care or trouble to maintain. On the contrary, they have been sources of continual revenue to their owners — have enabled their owners to call continually upon generation after generation to undergo toil and trouble for their benefit. Yet their value, that is to say their power of continuing to do this, remains still, not merely unimpaired, but in many cases enormously increased.

So far as we can see with any certainty, the quality of value has longer and more constantly attached to the ownership of land, which is not an article of wealth, than to any other valuable thing. The little piece of land in the Sabine hills, which Mæcenas gave to Horace, had doubtless been bought and sold and exchanged for centuries before that, and has, I doubt not, a value to this day. It is this permanence of value which has led the lawyers to distinguish property in land, though it is not wealth at all, as real estate or real property. Its value remains so long as population continues around it and custom or municipal law guarantees a special privilege of appropriating the profits of its use.

And between articles of wealth and things of the nature of special privileges, like franchises and property in land, which though having

value are not wealth, there is still another very important distinction to be noted. The general tendency of the value attached to the one is to decrease and disappear with social advance. The general tendency of the value attaching to the other is to increase.

For social advance, involving, as it does, increase of population, extensions of exchange and improvement of the arts, tends constantly, by lessening the cost of production, steadily to reduce the value of the great body of articles of wealth already in existence. The value of almost all the products of labor has been of late years steadily and largely reduced in this way, while the value of much costly machinery has been and still is being destroyed by discoveries, inventions and improvements, which render their use in production antiquated. But the growth of population and the augmentations of the productive power of labor increase enormously the value of such special privileges as franchises and land ownership in the highways and centers of social life.

It will be seen from our analysis, as indeed from observation, that the amount of wealth at any time existing is very much less than is usually assumed. The vast majority of mankind live not on stored wealth, but on their exertion. The vast majority of mankind, even in richest civilized countries, leave the world as destitute of wealth as they entered it. It is the constant expenditure of labor that alone keeps up the supply of wealth. If labor were to cease, wealth would disappear.