

CHAPTER 2 — THE NATURE OF DISTRIBUTION

Mill's *Principles of Political Economy* is, I think, 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 Mill's argument from which it is assumed that the laws of distribution with which political economy has to deal are human laws.

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 anyone, 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 these 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 the highest reputation as a logician.

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 *petito 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 human law calls 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 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. 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. Where in civilized society it is human institutions that decide among whom wealth shall be divided, as for instance in the case of an insolvent, and the 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 with the most elaborate machinery for declaring and enforcing human laws of distribution, such laws 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 wealth may be said to be distributed by natural law, 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, 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 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:

The shifting of desert sands reveals to a roving tribe wealth produced by 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 — and place them at the disposal of whomsoever they please, and on whatever terms. Nature will not interfere.

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? They can 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 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 product 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 sanction 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 the 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 thoughts and will. And should we treat the present products of farm or mine or mill or factory as we may treat the products of the 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.” A 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 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.

Production in political economy is not something which goes on for a while and then stops, when its product, wealth, has been brought into being; nor is it 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 and, 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 to 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, diverted 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.