

### CHAPTER 3 — PHYSICAL AND MORAL LAWS

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, today and tomorrow; 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 does 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. 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.

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 labor from asking and the employer from paying more than this legal rate when the equation of demand and supply made wages higher, and that no law could in the opposite case keep wages at a higher rate. So it has proved with interest. There been numberless attempts to keep down interest, and the State of New York retains to this day a law limiting, though with considerable holes, the rate of interest to six percent. 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 rents. 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.

The distinction between the laws of production and the laws of distribution is not, as is erroneously taught in the scholastic political economy, that one set of laws are natural laws, and the other human laws. Both sets of laws are laws of nature. The real distinction is 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 in 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. 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; it is necessarily a consideration of ought or duty — a consideration in which the idea of right or justice is from the very first involved.

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.