

particular just then, but do want some token to hold good my claim for a deferred exchange of £100 value of goods of some sort, then I take money—coins or a cheque, I don't care which. The matter stands thus :—

A community that uses coins for exchange instead of resorting to tedious barter, and still more, a community that uses cheques instead of coins, effects a great saving of labour, just as a savage, who uses a pointed stick for digging up roots instead of grubbing them up with his finger nails, effects a great saving of labour.

Cheque and stick alike are thus most efficient instruments of production—represent most effectively that third factor by which labour achieves its results, and do so none the less but much the more in that if either of them be destroyed, it can be reproduced without difficulty and without cost.

THE "TYRANNY" OF CAPITAL.

Capital has been described as that by which I can command the services of others. How far is this correct ?

If capital means money, then it gives its owner power over *goods*, but not over men. If it means instruments, then it gives its owner power over *nature*, but not over men.

CAPITAL AS MONEY.—If I have £100, that £100 will command £100 worth of goods if their owner chooses to sell them ; but it cannot compel him to sell them. If he chooses to sell them, then, indeed, my money commands his goods, but so also do his goods command my money. It is an exchange on equal terms. Neither party has any command over the other.

So also with services as with goods.

CAPITAL AS INSTRUMENTS.—Let A with a team of horses and full supply of instruments settle alongside B, who has only a spade; each having as much land as he can cultivate. Then A's superior appliances will give him a greater command over nature (enabling him to get a greater return from the soil to the same labour), but it gives him no power over B. Say that A can put in 100 acres with one ploughing, getting 20 bushels to the acre = 2,000 bushels, while B can only put in 5 acres with one digging, getting 40 bushels to the acre = 200 bushels. This will be all the better for A, but none the worse for B. B gets no less from his 5 acres, because A gets more from his 100. If B could do fairly well on his 5 acres before A came to settle beside him, he can do even better now, for when two men settle beside each other (especially when they have different appliances), exchange of services results to their mutual benefit. A with his team can cart for B when he is not using his team himself; and B with his spade can open out A's drains, or set his garden in order, when he is not digging for himself. Exchanges of this kind are so advantageous that they soon become habitual, so that each comes to rely on the other for certain services, and a mutual dependence ensues; but it is a purely voluntary, not a compulsory, dependence on both sides. We are supposing that both grow grain. But the quantity of grain required is limited, and its price is fixed by supply and demand. Say, then, that A's superior appliances enable him to grow all the grain that is wanted, and to undersell B, so that B is driven out of the market. Out of *that* market, yes—the grain market; but out of that only. The very fact that A takes to supplying the whole grain market precludes him from occupying the other markets, the whole range of which remain open to B to produce what he fancies and is best fitted for. Besides, market or no market, B has his family to feed, and it will always pay him to grow food enough for that, no matter how cheap food may be, rather than stand idle, earning

nothing to buy food with. But having land he can always find something to produce that somebody else wants. Even if there be no actual land-produce that seems to him worth producing for sale, there are always goods to make that somebody will be glad to buy, or services to render that somebody will be glad to hire. His home and his food supply being secure, he is independent. For even under the extreme and absurd supposition that he can find nothing to produce or to do that anybody else wants, he can always employ himself: he can always find something useful to do on his own account to multiply his comforts, or add to his enjoyment in some way, *so long as he has access to land*. But if he has *not* access to land—if A claims all the land, and will not allow him to occupy—then is his freedom gone indeed; he is at A's mercy. He must get work from A (or from somebody) on *any* terms, or die. Without the first factor (land) the second factor (his labour) is paralysed, and the third factor (his spade) is useless.

If a labourer is out of employment and destitute, anyone who offers him the opportunity to work can, in return, exact the whole produce of his labour beyond bare subsistence. Suppose this person to be one with appliances of industry at his command, say raw cotton and spinning machinery; such a one would be called a capitalist.

It does not matter whether there be only one destitute, or whether there be thousands, the result is the same. If there be more than one, the capitalist can avoid the appearance of oppressive extortion, and salve his conscience by going through the farce of offering the employment to competition, saying he will be content to accept what is finally offered. The destitute will, of course, run each other down to this one chance of life, till wages come down to bare subsistence, and the capitalist can then declare that it was the labourer himself who *offered* to work on these terms, and not he who compelled him. This is

the famous "freedom of contract" that we hear so much about.

But he can get the labourer on these terms just as easily if there be only one labourer, for the man is helpless, and must take what he can get. The land being closed to him, he has no alternative but hired employment on *any* terms.

Practically, in Great Britain wages generally are not forced down to quite this minimum, because trade unions, customs, public opinion, and other influences come into play. But we may dismiss these complications.

Given one man, destitute and landless, with no trade union to back him up, no custom or public opinion to befriend him, and the capitalist can get him on any terms he likes to name.

It is not, however, the capitalist's possession of the instruments of production that gives him this power (not even if we include food among them); for the man who offers this opportunity to work may possess neither appliances nor food. He may own only a certain portion of the earth's surface.

He may say to the labourer, "This moor or this river is mine, and I will give you leave to snare rabbits or catch fish, but only on condition that you give me two fish or two rabbits for every one you catch for yourself." Or he may say: "This garden plot or this quarry is mine, and I will give you leave to grow cabbages or hew stone, but only on condition that you give me so many cabbages or so much hewn stone." Or he may say, "I have got a contract to convey goods from a place where they are worth 20s. to a place where they are worth 30s., and you may carry them for me, but only on condition that of the 10s. increased value which your labour has created you are to receive half only, and I am to keep the other half as my profit for allowing or employing you to work."

It is clear that the labourer would not consent to such terms, would not sacrifice his independence and exhaust himself at work in which he felt no interest, by which he could only just

live, and at which he could have no hope of bettering his condition, if the soil were open to him to cultivate, the quarries to hew stone, the moors to hunt, or the rivers to fish, or, in short, if the countless natural facilities for employment which the land offers were not closed to him, by which, even in the rare case where he could win nothing more than bare subsistence (a case that does not really happen even amongst the lowest savages in the worst surroundings), he would at any rate be a free man, feel an interest in his work, and cherish, at least, the *hope* of ultimately bettering his condition.

It is not, then, the possession of the instruments of production that gives the one man power over the other, but the denial of that natural alternative to hired employment that the land offers. What the labourer wants, what he must have, is the opportunity to work, which at present he must pay for with his heart's blood, so to speak. Whether he pays for it [for this mere opportunity] in the shape of rent to a landlord, or by producing goods under the direction of an employer, on the condition that these goods are to belong, not to him who produces them, but to the employer, matters nothing. The thing that concerns us here is that it is not the possession of appliances by an employer, but the denial of access to land by a landlord that throws the labourer at the feet of capital; that capital which, no matter what precise form it may assume, or what the economist may declare, is what the world at large understands to mean money, and what the economist himself constantly means without knowing it.
