

be, would in time, and in no long time, completely evaporate. How many business establishments of even fifty years ago are worth a dollar to-day, unless they rest upon monopoly foundations? Even debts cannot be perpetuated unless they are secured by monopolies or are public debts. It is of the utmost importance, therefore, in determining whether to abolish competition or to emancipate it, that we consider whence the evil power of capital comes—whether from capital *per se*, or from capital into which government has breathed eternal life by shackling competition.

+

That the foregoing distinction has not been made by Mr. Money, is evident from his treatment of \$225,000,000 of railway dividends as interest on capital, when a large part of it is tribute for monopoly. And if the labor of repairing railroads seems to give the plant eternity, it is because a network of monopolies cuts labor off from access to natural opportunities for employment and compels workers to bid for work in a glutted market. It is the resulting profit to the railroad company, and not its possession of plant and rolling stock, that enables it to perpetuate plant and rolling stock by means of repairs and reproduction. Were it not for this network of monopolies the companies would have to pay competitive wages, instead of strangled wages, and railroad plants and rolling stock could not be perpetuated beyond the confines of a square deal.

+

Of Mr. Money's conclusion no rational criticism is possible, except to the last clause. He insists upon "the all-important difference between the checked production of the present and the free production which might be;" that "a more equitable distribution of the poor and attenuated product now put forth" is not the only desideratum, but also the like "equitable distribution of a product augmented a thousand-fold." This is truly the industrial ideal. But when Mr. Money attributes the present attenuated product to competition, he discloses his failure to apprehend the fact that we have not now and never have had competition. For competition of the unprivileged with the privileged is not competition. Neither is competition between the privileged. Yet one or both is all we have ever had. When we have competition of the unprivileged, we shall have natural socialism, evolutionary socialism, the socialism that grows with social growth, the only socialism that is not bureaucratic and at the core despotic.

NATURAL INSTRUMENTS OF SOCIAL SERVICE.

IV. Karl Marx and Henry George.

At our last two or three talks, Doctor, we spoke (p. 724) of the habit of confusing natural instruments of production with artificial instruments, as if they were essentially alike because they are capitalistically interchangeable. And in that connection we spoke also of the historical transition from feudalism to capitalism. We were pretty well agreed, I guess, that most business men, as well as our socialistic friend down the street, not to mention our anarchist-communist neighbor over the way, fail to appreciate the fundamental and unchangeable difference between those two instruments of social service—the natural and the artificial. They have grown up with a mental habit of regarding both, when immersed in their interchangeable capitalized values, as possessing no differentiating characteristics. In business thought, capital is simply value, expressible with figures and money symbols on the pages of a ledger. Whether the value be of an artificial product of human labor, drawn with pain and sweat from the natural opportunities of the planet—"back-ache value," as John Z. White calls it, you remember; or of those natural opportunities themselves; or of the human laborer himself, makes no difference to men of the business type. Each being tradeable for the other on a common basis of value, each is capital to the capitalist if he needs it in his business.

Following this capitalistic line of thought, our socialistic friend also loses sight of the underlying distinction between artificial and natural instruments of production, and all appreciation of the difference in the natural laws that govern their respective social uses. Or, if he doesn't lose sight of the distinction, he sees it vaguely as the man whose sight was restored saw men at first as trees walking. Yet these essential differences persist, and they produce characteristic effects. And this they do, as I have indicated and shall try to show you further, whether the land is used under feudalism, with its distinct personal landlord class, or under capitalism, where class personality gives way to an impersonal landed interest masked behind the capitalistic mode of indiscriminate capitalization. Let me repeat, and repeat, and repeat, if necessary, that you cannot turn the planet, the natural instrument of production, into the same thing as capital, the artificial instrument, by capitalizing the two together. You can no more do it than you can

change horses into cows by capitalizing live stock. Though they become interchangeable in trade, they are no more identical in fact than they were before.

But it is this indiscriminating capitalization, as I think, Doctor, that causes our socialistic friend to assure us, with entire good faith as both of us know, that monopoly of land, the natural instrument of production, has come to be of secondary economic importance to monopoly of capital, the aggregate of existing artificial instruments. Even if he had said that their economic importance is equal, we should have wondered. For how can existing artificial products of labor be of equal importance to the perennial natural source of all artificial products? But when he gives primary importance to existing artificial products, and only secondary importance to their perennial natural source, what is one to say?

Wasn't it as hard for you as for me to understand what he meant the other day when he asserted that if he had all the existing capital, and the workers had all the land, he could drive the workers off the face of the earth by refusing them the use of his capital? It truly did seem absurd to me, and I mean no disrespect whatever to him, for you know I hold him in high esteem,—but it did seem absurd that a monopolist who owned only capital could drive laborers off the planet if the laborers owned the planet, merely by refusing to let them use the capital which they had produced and could easily reproduce.

But you see, Doctor, he didn't mean the planet when he talked of workers owning all the land. He meant only the parts of it that landlords own as landlords—as a distinct personal class. Don't you recall his figures in which he estimated the landlord's power at so many millions, and the capitalist's at many millions more? Why, he left all sorts of landed property outside of the landlord's millions, and included all sorts of landed property in the millions of the capitalist. He seems to have lost sight altogether of the land that capitalists treat as part of their capital; the land, for instance, that is represented in the stocks of land-owning corporations—such as mining and railway companies. It is no longer land to him, any more than it is to them. In our friend's thought, as in that of the capitalist's, all this most important land, this vital natural instrument of production—all of it inventories as capital. Though a natural instrument of production, it is tumbled indiscriminately into the same inventory with his artificial instruments. He may distinguish when you come down to definitions, but

haven't you noticed how he drifts away when the argument is resumed? It is the confusion which the capitalistic line of thought promotes, that gets him out of the main current of economic thought and into the eddies.

It would not be fair to our friend, however, to attribute his misapprehension altogether to his own heedlessness. Karl Marx as well as our friend sometimes seemed to lose his way in this wilderness of capitalistic thought, although I think that he really recognized as vital the distinction I have made. Let me read you from Marx's "Capital." My copy is the first English edition, published in 1889, a translation by Moore and Aveling from the third German edition, and edited by Frederick Engels. At the beginning of the first chapter, Marx writes:

The wealth of those societies in which the capitalist mode of production prevails, presents itself as an immense accumulation of commodities, its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.

Now observe, Doctor, the subject of consideration here is wealth as found in capitalistic society. We are told that it consists of "commodities." So far, then, I find myself, as I have already explained to you, in substantial agreement with the great expositor of socialism. Capitalization makes a commodity of everything it touches. And now comes the Marxian analysis of a commodity. Listen:

A commodity is, in the first place, an object outside us.

Very good, provided "us" be understood as including only the acknowledged members of capitalistic society. For capitalistic industry might comprise chattel slavery, and then the slaves would be commodities, capitalistic wealth. A commodity would still be outside the members of the society, for slaves would not be accounted members; but some commodities would not be outside of some persons, since every slave would be a person and yet a commodity. But of course Marx contemplated in his definition of a capitalistic commodity only such objects as are outside the acknowledged membership; so this part of his analysis may go without criticism. A commodity, then, is an object outside of us. It is also, he continues—a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach, or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production.

Well, Doctor, in view of our talks I reckon we'll both agree to that, won't we?

At this point Marx states his definition of use-values. We have had the same idea in considering the subject of desirability. He adds with reference to use values that they "constitute the substance or body or quality of all wealth, as distinguished from its quantity in terms of 'exchange value';" and then he proceeds to say that in the capitalistic form of society "use values"—

are, in addition, the material depositories of exchange value. Exchange value, at first sight, presents itself as a quantitative relation, as the proportion in which values in use of one sort are exchanged for those of another sort, a relation constantly changing with time and place.

After elaborating this capitalistic idea with some necessary detail, he concludes that—

the exchange values of commodities must be capable of being expressed in terms of something common to them all, of which thing they represent a greater or less quantity.

This common "something" he then ascertains by considering that—

as use-values commodities are, above all, of different qualities; but as exchange values they are merely different quantities, and consequently do not contain an atom of use-value. If, then, we leave out of consideration the use-value of commodities, they have only one common property left, that of being products of labor.

Now, Doctor, if we stopped there Marx might appear to some readers as having made a false analysis. For he begins by defining commodities so as to include land—"an object outside us," don't you recall? which "by its properties satisfies human wants," whether "directly, as means of subsistence, or indirectly, as means of production,"—and he ends by distinguishing commodities as products of labor. So, as land is not a product of labor, here is false analysis. But this conclusion Marx follows with some metaphysical reasoning which goes to show that value—not "use-value" but "exchange value"—is his distinguishing characteristic of commodities, and that it is this value that is the labor product. It is, I should say, as if he had made his statement like this: "As material substantial objects, commodities are, above all, of different qualities; but as values in exchange they are merely different quantities, and consequently do not contain an atom of material substance. If, then, we leave out of consideration the material substance of commodities, they have only one common property left, that of being products of labor."

To this idea we have already agreed in a way; and though only in a way, yet probably in the way that Marx meant. Since we accept the values of commodities as expressive of the irksome-

ness in labor which their possession will save, we may agree that in a metaphysical sense labor produces all value. There could be no value without commodities, and labor does produce all commodities except land. And while labor does not produce land, there is a sense in which it may be loosely said to produce land values. For it is by the extension of labor forces to the use of inferior lands that superior lands become valuable.

That labor does not produce natural commodities, but that these are the source of production and not its results, Marx recognizes so clearly in his next chapter as to leave no room for cavil. I refer to what he says specifically of "use-values." By "use-values" he evidently means what I mean by artificial things, or "wealth"—the products of labor from land. Perhaps he includes land in "use-values." But I, at any rate, shall not conclude that he intends to, for that would certainly convict him of confusing artificial and natural instruments of production. Listen again:

The use-values, coat, linen, etc., i. e., the bodies of commodities, are combinations of two elements—matter and labor. If we take away the useful labor expended upon them, a material substratum is always left, which is furnished by nature without the help of man. The latter can work only as Nature does, that is by changing the form of matter. Nay, more, in this work of changing the form he is constantly helped by natural forces. We see, then, that labor is not the only source of material wealth, of use-value produced by labor. As William Petty puts it, labor is its father and the earth its mother.

If Marx had held tight to that understanding—something which he realized as true of all modes of production, whether capitalistic or not,—he would not have made so inadequate a use of a certain significant Australian incident of which I shall read you in a moment.

But after this brief reference to "the bodies of commodities," which he describes as "combinations of two elements, matter and labor,"—accurately, if he means artificial commodities only, but quite inaccurately if he intends, as I am sure he does not, to include all objects outside us which directly or indirectly satisfy human wants,—he turns the whole force of his great intellect upon the ghost of commodities—the immaterial, unsubstantial, metaphysical, capitalistic concept of value as an abstraction from the objects valued.

And now, Doctor, let me read you the Australian incident to illustrate one of the effects of his having thus slipped his anchorage and gone off sailing into the cloudland of capitalistic metaphysics. In his thirty-third chapter, in the course of a discussion of modern colonization,

Marx tells—here it is, on page 791,—of a Mr. Peel, who—

took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working class, men, women and children. Once arrived at his destination, "Mr. Peel was left without a servant to make his bed or fetch him water from a river."

Now, what would you suppose that situation to imply, Doctor? Certainly; so should I. With plenty of good land all around, available for the taking, those "3,000 persons of the working class" could not be coerced by Mr. Peel, although he had £50,000 of capital and they had none. But what do you suppose is Marx's comment? Here it is:

Unhappy Mr. Peel, who provided for everything except the export of English modes of production to Swan River.

Now, Doctor, I don't intend to try Marx's philosophy by the test of one of his brief illustrative allusions. But doesn't it look as if he had got so far away from what he calls the "bodies of commodities" as to lose sight of the plain common sense fact that whether on Swan River or on the Thames, coercive power over labor really depends upon monopoly of the natural instruments of production?

Indeed, we might not unfairly assume that Marx himself so believed. When he writes of the unhappy Mr. Peel who provided for everything except the export of English modes of production to Swan River, Marx may very well be interpreted, without doing any violence to his general exposition, as having meant that Mr. Peel had neglected to export land capitalism from England. Land capitalism is the capitalistic method of cutting off producers from access to the natural instruments of production—the *natural* instruments, mind you; and as land capitalism did not prevail on Swan River those servants of the Peel expedition were free. Mr. Peel could not coerce them with his £50,000 of capital. With all that land available to them, what cared they for the accumulated artificial instruments which that money represented to the amount of a quarter of a million dollars? While that supply of artificial instruments would have been a convenience, it was not a necessity.

That Karl Marx did believe that coercive power over labor depends upon monopoly of land, not only under feudalism but also under capitalism, appears from a specific statement of his made as late as 1875, and published by his friend Engels

in 1891. I find it in the International Socialist Review for May, 1908. It appears as part of a criticism of a socialist program made under the influence of followers of Lassalle. One sentence of that program had described labor as "the source of all wealth," and with reference to this declaration Marx wrote, as I find it quoted here at page 643 of the Review:

Labor is not the source of all wealth. Nature is just as much the source of use values (and of such, to be sure, is material wealth composed) as is labor, which itself is but the expression of a natural force, of human labor power.

Turn now to page 645 of the Review and you will find that Marx speaks in that way, not only of a period when feudalistic customs prevailed, but of the present age of production on a large scale and with enormous artificial tools—of this very age of capitalism. For there he says, writing as late as 1875, remember—

In the society of today, the means of labor are monopolized by the landed proprietors. Monopoly of landed property is even the basis of monopoly of capital and by the capitalists.

Returning now to his book, "Capital," I find that the language of Marx last quoted merely confirms his earlier conclusion concerning the power of land monopoly to coerce labor under the present capitalistic system. In the last chapter of "Capital," on page 793 of my edition, Marx explicitly says:

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production.

However far apart Karl Marx and Henry George may be at other points, Doctor, they are close together at this vital point. Making allowance for their differing habits of thought and forms of expression, and getting down to their essential meanings, I should say that upon this point—the most vital one, it seems to me, in the whole industrial problem—they are absolutely at one. Take up that first volume of "Progress and Poverty," Doctor, and read George's remarks upon the confusion under capitalism of natural with artificial instruments, of planet values with product-values, of land with capital. You will find it in the chapter on spurious capital at page 189:

In the speech and literature of the day everyone is styled a capitalist who possesses what, independent of his labor, will yield him a return, while whatever is thus received is spoken of as the earnings or takings of capital, and we everywhere hear of the conflict of labor and capital. Whether there is in reality any conflict between labor and capital, I do not yet ask the reader to make up his mind; but it will be well here to clear away some misapprehensions which confuse the

tion has already been called to the fact that land values, which constitute such an enormous part of what is commonly called capital, are not capital at all.

I could give you numerous other quotations, showing that George insisted upon distinguishing the natural instruments of social service from the artificial ones under all circumstances, and that he recognized the evil powers of capitalism as springing fundamentally from land monopoly disguised as capital. But it is unnecessary, for that was the key to his solution of the social service problem, and you may read it at leisure in his books.

EDITORIAL CORRESPONDENCE

THE RELATION OF AERONAUTICS TO CIVILIZATION.

Zurich, Switzerland, September 27.—It was my intention to write you a letter about the Zeppelin airship after having seen it flying, but unfortunately it was destroyed before I had an opportunity to see it. The 1st of July it was sailing above Zurich, making in 12 hours a flight of 400 kilometres through the northeastern part of Switzerland, where it was greeted with enormous enthusiasm. Unfortunately I missed the opportunity to see it that day, and I learned only in the evening that the famous airship had been above Zurich in the afternoon. You may well imagine what an enormous sensation it had created throughout the country. For many days there was nearly no other news but that of Zeppelin in the newspapers, and the climax was reached with the tragic destroying of the airship at Echterdingen in Wurtemberg.* There was then a general exclamation of pain and compassion for the famous inventor; a subscription was opened to place funds at his disposal to build a new airship, and to-day six million marks have already been collected, so that Zeppelin would be able to build ten airships of the type of the destroyed one. Count Zeppelin is now, after having formerly been considered as a crank and sneered at, the most famous man in Germany. After all, with what is known about him, he seems to be a splendid man.

It has been said that the Germans consider the airship only as a machine of war, and that it was for this reason that they have given their money so willingly to construct new airships. Though some of them have been influenced by this reason, it is nonsense to say so of the whole people. The appearance of an airship, as big as a modern ocean-hunter, sailing against the winds at the will of its inventor, strikes the imagination most powerfully, and that is enough to account for the emotions of the people. The excitement in Switzerland was as intense as in Germany, though the Swiss have no interest in a machine of war built for the German Government. Nevertheless it goes without saying that the international mischief-makers, the patriotic idiots, and hirelings of a well-paying patriotism, are

doing their best and their worst to teach the world that it is absolutely necessary for a Christian people to use the greatest discovery of the age chiefly for the purpose of murdering other people on the other side of the frontier. To one who has travelled the world their arguments sound as intended for a comedy-joke. We maintain armies and navies as if we were surrounded by Huns and barbarians waiting only for the moment of weakness to burn down our cities and sell us into slavery; whereas the greatest mischief that could befall us would be that our parliamentary representatives would have to travel to Paris, instead of to Berlin, and that on the public buildings instead of a little bit of cloth with red, white and black stripes, there would be fluttering another with red, white and blue stripes. This cry for armies and navies to protect one nation against another in our little Europe, where all nations are on the same level of civilization, have the same trend of thought, exchange every day the products of their labor, give to their citizens the same rights in their countries as to a foreigner, is so wholly nonsensical and ridiculous that it will furnish a riddle for the historians of a more enlightened future.

There is only one explanation of this general madness, which holds good in my opinion, and that is that the latent cruelty and moral insanity in human nature which formerly found an outlet in religious persecutions and witch-burning, has now turned to patriotism. Otherwise it would be absolutely incomprehensible.

GUSTAV BUESCHER.

+ + +

POLICE ANARCHY IN INDIANAPOLIS.

Indianapolis, Ind., Nov. 2.—A simple tale of municipal blindness and police brutality and ignorance may be told; this time about Indianapolis, a quiet and sleepy town where there is no labor movement and where most good citizens seem to think this is the best of all possible worlds.

+

Emma Goldman tried to speak in Indianapolis last week. Her lectures were to be delivered on October 27th, 28th and 29th, and the subjects were: "Anarchism and What It Stands For," "The Revolutionary Spirit in the Drama," and "Patriotism." She had never been in Indianapolis before and she did not know what she was running up against.

I was the only person she knew here, so that her manager, Dr. Reitman, came to me and asked my assistance in finding a hall. We went together to the Propylaeum, the most "respectable" hall in Indianapolis. I am a stranger in Indianapolis, or I would never have selected a place the directors of which were all women, and moreover women who are of our "best people."

But Dr. Reitman signed the contract for Emma Goldman, who was lecturing in Ohio at the time, made arrangements for printing, advertisements, etc., and left for Cincinnati, where Miss Goldman was to speak previously to coming to Indianapolis. The local papers announced the lectures, several thousand circulars were distributed by an agency, and many

*The Public of August 14, page 470.