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THE  
LABOR-VALUE FALLACY.

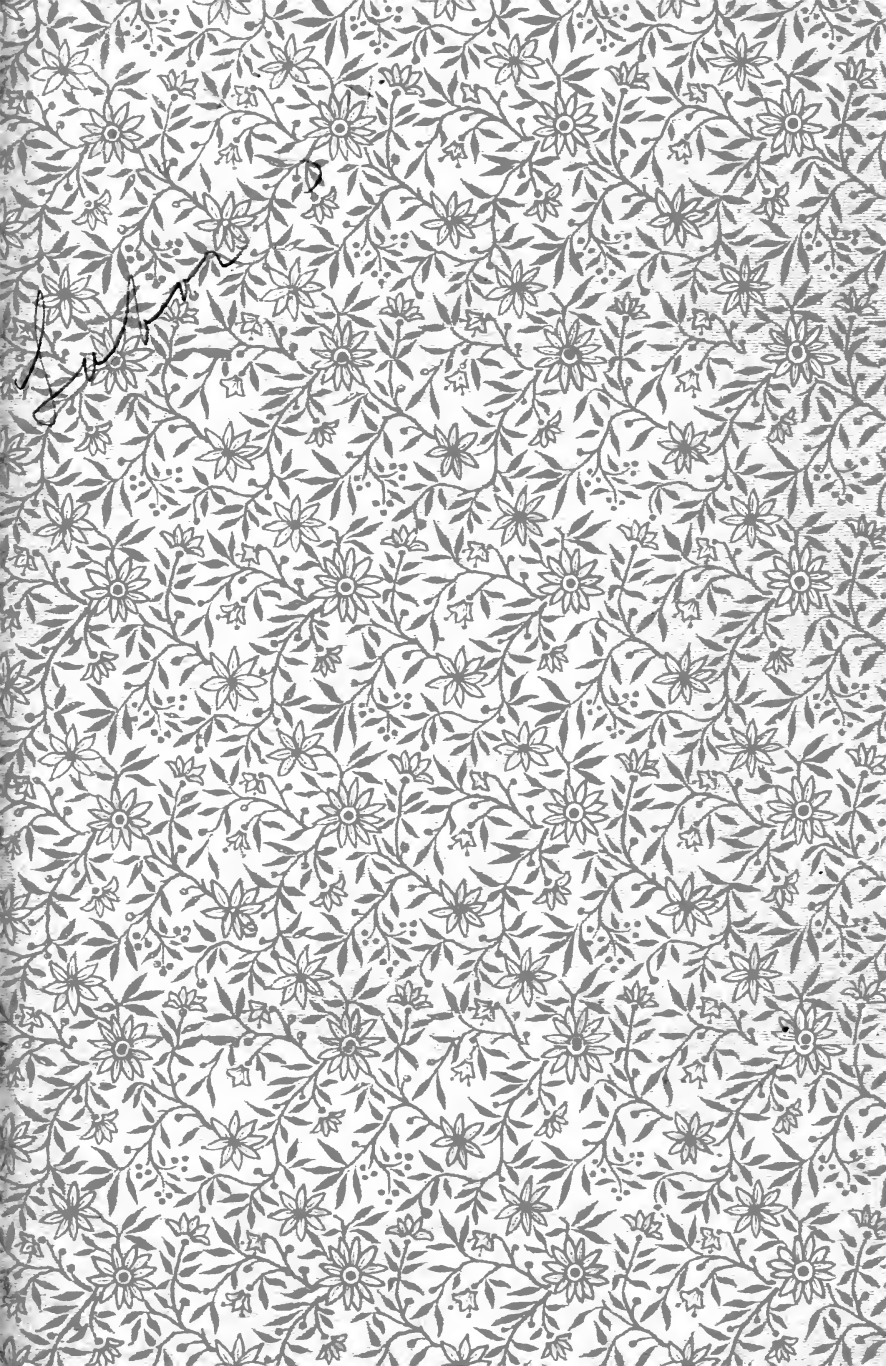
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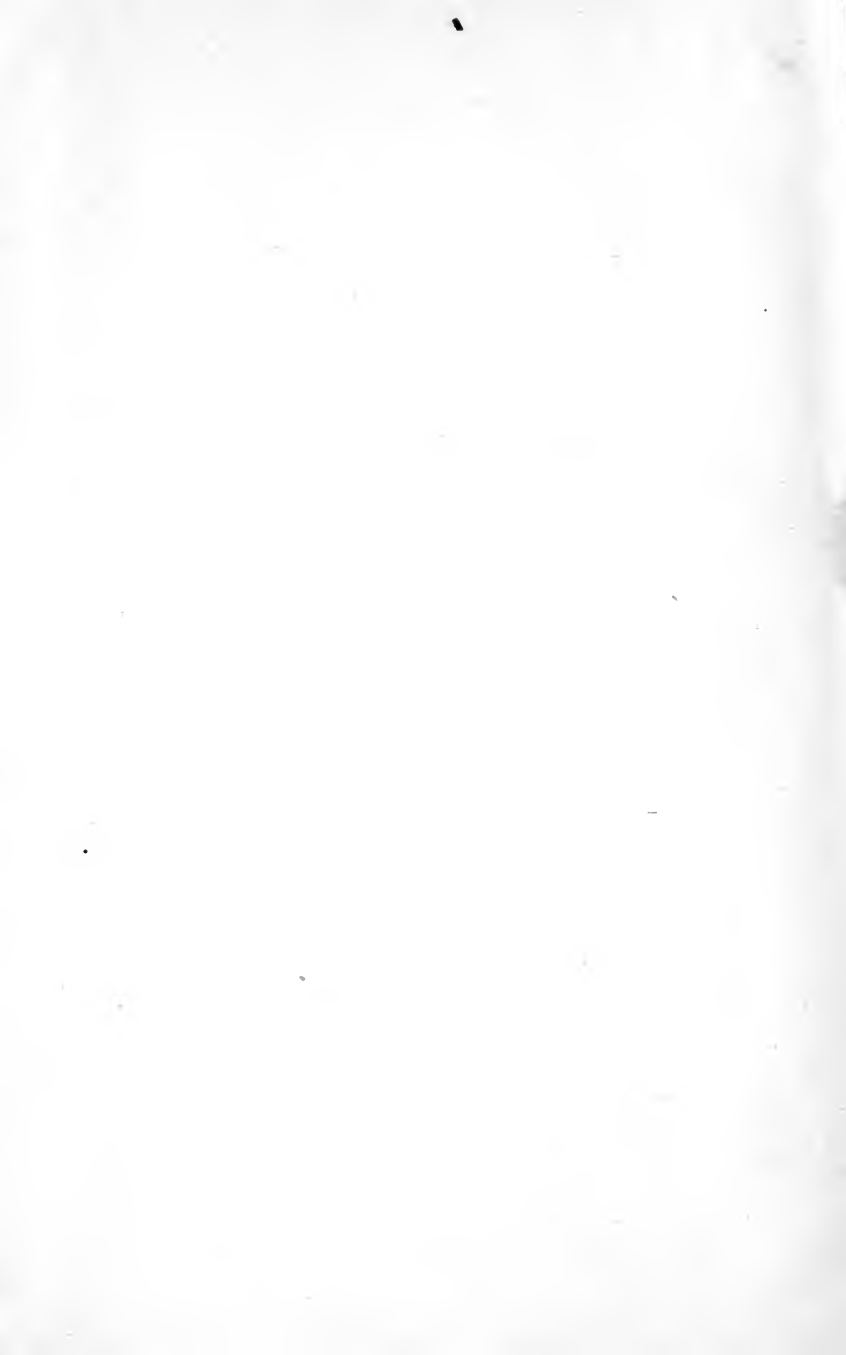
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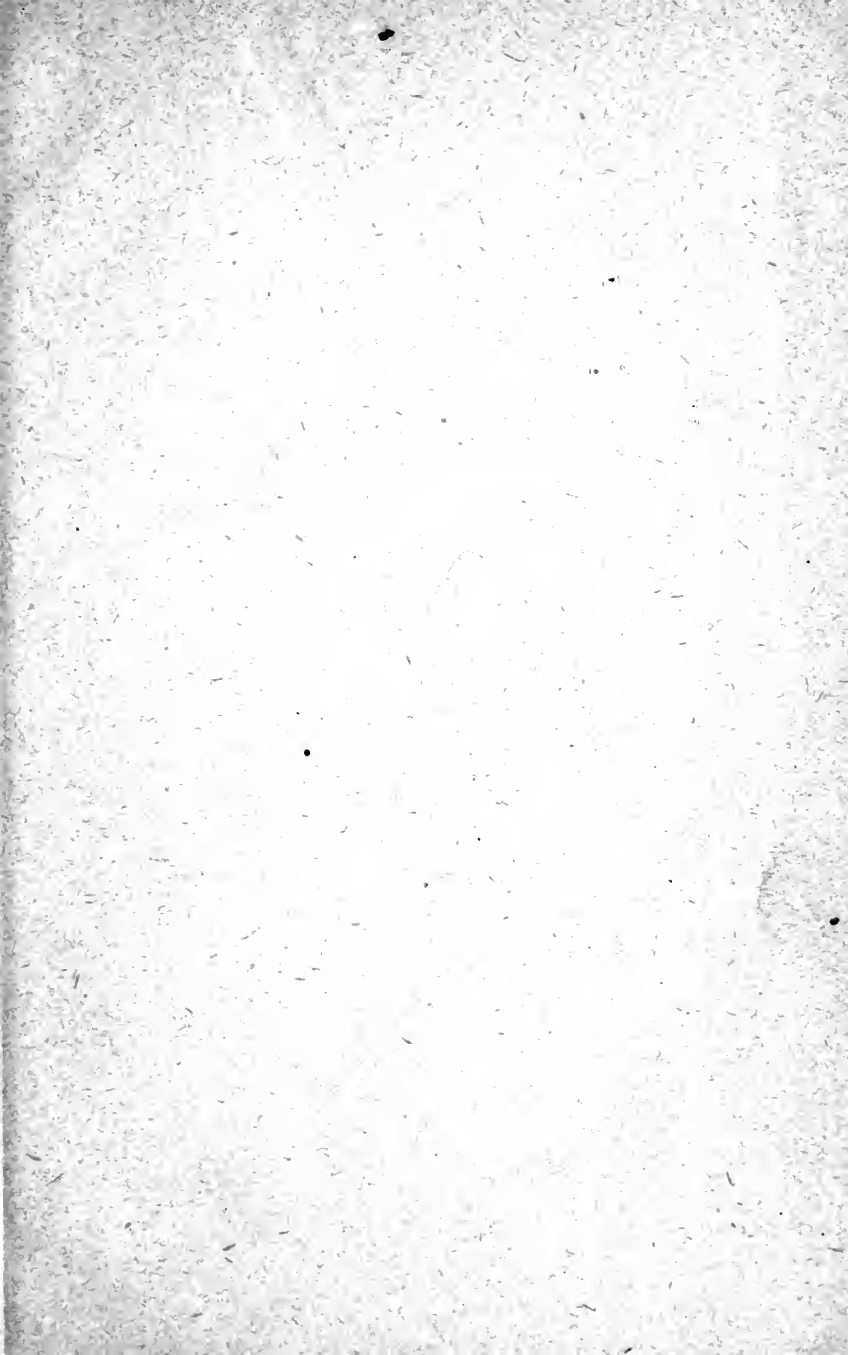
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The  
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Chicago.

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## NOTICE.

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Correspondence with persons in sympathy with the purposes of the Patriots' League, and willing to co-operate with it, is cordially solicited; and it will be esteemed a favor if copies of papers containing references to the League or notices of this book, whether favorable or unfavorable, are mailed to

THE PATRIOTS' LEAGUE,  
Chicago, Ill.



The  
PATRIOTS' LEAGUE,  
CHICAGO.

1886.

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ORIGIN.

The idea of the Patriots' League originated with a few veterans of the late war, whose attention had been specially called to the doctrines of Socialism, and the desperate efforts being made to spread them (not without success) in the United States. It was finally determined to meet organization with organization, and the Patriots' League is the result.

The Platform, setting forth the principles and purpose of the League explains itself as well and fully, perhaps, as any such declaration could do. But it may be well to add one word of explanation: This League does not antagonize labor, nor any legitimate organization or party having for its object the improvement of the condition, or the defense of the interests or rights, of any class of citizens who believe in government, law, order and justice. But there is a wide difference between the honest workingman who believes that corporations and the wealthy classes have too much influence in shaping legislation, while he and his associates have too little, and the anarchist and the socialist who seek the destruction of all government. The one is a citizen pursuing his rights and interests, as he understands them, under the law; the other, if a citizen at all, is a perjured traitor perpetrating a crime against the law—if not a citizen, he is an alien disturber, outraging the hospitality of a people who welcome "the oppressed of all lands" to liberty, equality and opportunity, equal to that enjoyed by the most favored among themselves. The first, this League desires to encourage and assist—the second, as a factor of social and political power, it desires to exterminate.

"As far as I can see, the American Constitution is the most wonderful work ever struck off at one time by the brain and purpose of man."—*Gladstone.*

"Education is the only interest worthy the deep controlling anxiety of the thoughtful man."—*Wendell Phillips.*

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## Platform and Purpose.

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Any person may become a member of this League by signing this platform setting forth its principles and purpose.

Any person contributing money to this League will be entitled to receive its publications to the full amount of the money contributed.

The primary objects of this League shall be:

1. To support and defend the Government, Constitution, Laws and institutions, of the United States, National, State and Municipal, as administered through the three necessary and well-defined departments, Legislative, Executive and Judicial; and to furnish a channel through which the loyal, order-loving, and law-honoring sentiment of the country can at all times express itself and make its convictions and strength known.

2. To oppose Anarchy, Socialism, Communism, Mormonism, and despotism of all kinds, and all kindred social and political heresies that tend to destroy the peace of society, the authority of government, the sanctions of Law, the rights of property, the liberty of the citizen and the sacredness of the family; and to warn the advocates of all such heresies that human liberty, as represented and protected by American free institutions, has cost too much, and is too valuable, and too sacred, to be suffered to be overthrown, undermined, endangered, or desecrated, by agitators and revolutionists of any creed, country or description.

3. To disseminate sound views and practical and accurate information on political, social, and economic subjects, by means of carefully prepared books and pamphlets, to be published and sold at the bare cost of production and distribution, thus placing the means of political education within the reach of all; and in general, to promote and encourage the study and rational discussion of social, political and economic questions, by the whole body of American citizens.

4. To investigate, and so far as possible remove, the causes of antagonisms between labor and capital, or more properly, between employers and employes; and to promote justice, fair dealing and harmony between them, and to encourage and assist the development and improvement of all classes, morally, mentally and materially.

## Address to the Public.

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That there is deep and wide-spread discontent among the laboring people of almost every community in the country does not admit of a doubt. That this discontent will increase rather than diminish, till the true causes of it are found out and removed, is equally certain.

The great strikes of the past year with their attendant evils,—in some cases horrors—the organization of Labor parties in different parts of the country, the votes they cast, their movements in the direction of more perfect and general organization since the elections, the discussions of the daily and weekly press, and of Magazines and Reviews, and of the pulpit and the platform, all these tell us that the Labor question has “Come to Stay” till something is done about it.

A “workingman”—Mr. John Arnoup—at a meeting of “The English speaking Section of the Socialistic Labor Party” in this city, Sunday, Dec. 5th, in rejoinder to the Commercial Club, said:

“The present discontent is caused by legislation in favor of corporations, bankers and rich men generally.”

Herr Liebkecht, a leader and an authority among German Socialists, in a recent address in this city (Chicago) said:

“All wealth is the product of labor. It is a logical sequence that wealth should belong to labor. But it is a fact that those who do not do productive work own the greater part of wealth. The Socialist says this is owing to the wages system, to the expropriation of labor. If the capitalist gave the laborer an equivalent for his labor, the capitalist would at the end of the year, have no more than at the beginning.”

Mr. James G. Batterson, of Hartford, Conn., a large employer of labor, in an address before “The New Haven Lyceum of Labor,” Sunday, June 6th, 1886, said:

“The demand which is being made by workingmen throughout the country for a radical reform in the existing relations of labor and capital, is a social and business question which must be squarely and honestly met by all classes and conditions of men. The claim is broadly made that employers of labor receive more than a just proportion of the earnings of labor, against which in justice the laborer rebels, and demands increased pay for shorter hours. The whole question finally turns, and ought to turn on the justice of this demand, which must be determined by stern questions of *fact*, rather than of law, philosophy or sentiment.”

Here, then, from a workingman in the West and an employer in the East, and a Socialist from Germany, we seem to have

definitely stated the real causes of the present discontent—the belief among workingmen: (1) that the legislation of the country is controlled by the wealthy classes: (2) that they do not get a just proportion of the proceeds of their labor: (3) that all wealth is created by labor and ought to belong to “productive laborers.”

If all or either of these propositions be true, contentment and social peace will never come till the abuse is removed and the wrong righted. If all or either be false, contentment will not come till the fact is clearly and convincingly established. The range of argument may be very wide, but where the main points are so few, so clear, and so condensed and definite, certainly it ought not to be very difficult to arrive at the truth, if the effort is made rationally and in the right spirit on both sides.

Strikes, eruptions, and labor disturbances and discussions, are but symptoms of some serious social disease, or delusion, and they will never cease till the disease is cured or the delusion dispelled. That there is here an ample field for investigation and philanthropic work of great value to society, is most obvious.

This is the work, or kind of work, the Patriots' League is designed to do. Its success will depend largely on the co-operation and assistance of people of all classes and parties, professions and employments. With this co-operation and assistance, we confidently believe the labor question can be solved and satisfactorily adjusted. Without some such fair-minded, rational and united effort, it will be left to solve its self through increasing discontent, more numerous and more violent strikes, and possibly more riots and massacres. Is it not worth while to make the effort to solve and settle this great problem harmoniously, in the light of such a full and fair discussion of facts, that none can honestly question the conclusions arrived at? Not only the rights of individuals, the peace of communities, and the prosperity of industry, are at stake, but possibly also the capacity of a free people for successful self-government.

Of one thing we may be sure—at such a time and on such a subject there is no danger of too much intelligence. All efforts to disseminate thorough, accurate and pertinent information ought to meet the approval and hearty co-operation of every one who has an interest in the peace and prosperity of the country, or who has at heart the welfare and the improvement of the condition of its laboring classes. In this work this League earnestly solicits the active co-operation of all good citizens.

THE  
LABOR-VALUE FALLACY.

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By M. L. SCUDDER, Jr.,

AUTHOR OF "CONGESTED PRICES," ETC.

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PUBLISHED BY

THE PATRIOTS' LEAGUE  
CHICAGO.

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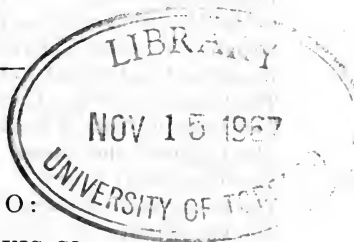
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## PUBLISHER'S NOTE.

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I believe it susceptible of the clearest proof that there has never before been a time in the history of any country when all the conditions were so favorable to the improvement, comfort and happiness, of all classes, as they now are in the United States, but for the danger of beliefs in false political, social, and economic theories and doctrines, and the bad legislation and other vicious consequences certain to follow such beliefs, if they are allowed to become too general or too active.

Notwithstanding the unprecedented advantages and opportunities open to all on equal terms, there has never before been a time when malicious agitators, demagogues, blatherskites and mountebanks, of every villainous creed and ism, were so numerous and so busy and so reckless as they are here and now. Almost every Labor Association, Labor Union, and Knights of Labor Assembly, is being turned, by these pestiferous humbugs, from its legitimate and original purpose into a primary school of socialism, where honest well-meaning and industrious working men are being persistently taught the most vicious social and political theories and fallacies, and are having their minds poisoned against their government, and filled with hatred of their employers, and of the whole body of their fellow-citizens who are engaged in other employments, or who chance to be in better circumstances, than themselves. All this, if not counteracted by the influence of truth and sound doctrine, must sooner or later, lead to disastrous results. Permanent classes hostile to each other, and permanent class-feuds will be established, that will always threaten, and often disturb, the peace of society; and that mutual good will and fraternity of spirit, that ought to characterize the citizens of a free government, will be quite destroyed.

This raid of the skum of Europe is the more to be feared and resisted because, as a people, we are just as it were, closing one great epoch in our national development and history and simultaneously opening another. New questions, of the most potential importance, or old ones in new forms and under new conditions, confront us, and we are fairly entered upon a discussion of politico-social-economic questions that promises to be more

thorough and more bitter than any similar discussion that has preceded it in the world's history. On the result will depend the cause of human progress and the conditions of human happiness for generations to come. Indeed, it is believed by thoughtful men everywhere, that the fitness and power of popular free institutions to successfully govern society, are more distinctly on trial, and are to be put to a severer test than at any former time; being confronted by more serious questions, and more complex conditions and difficulties than ever before. Questions of taxation and expenditure; of finance and banking, and the relations of gold and silver and of different forms of paper money; of tariff for protection or revenue only; of labor—its wages, hours, contracts and rights; of corporations and their rights, powers and restrictions; of inter-state commerce; of coast defenses; and of the army and navy, are all pressing for new adjustment, and must have new solutions, growing out of new conditions, within the next few years. It is of the first importance to every interest, as well as to the general peace and welfare, that all these questions be adjusted to the new conditions of society, and intelligently settled on principles of right, truth and justice. This can only be done as the result of careful study, and full, free, and intelligent discussion.

At such a time, when the calmest reason, and the most patient and patriotic investigations, and the fullest knowledge of our own institutions and of the science of free government in general, are demanded, as though the arch enemy of man had conspired to overthrow order and liberty, we are being overrun by European anarchists, socialists, and other pestiferous disturbers of peace and promoters of riot and destruction.\* As a consequence nowhere are socialism and kindred heresies making such prodigious growth as in the United States: and socialism means the destruction of individual liberty as completely as absolute monarchy in the hands of a bad sovereign would mean the same thing, and would bring with it terrors and dangers to society that monarchy even, would not bring.

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\* Dr. Aveling, during his recent visit to Chicago, said America just now presents the best field for the spread of socialist principles on account of the large liberty of speech allowed here, which is not allowed in European countries. An anarchist here can go on for years, "breathing out threatenings and slaughter," and there is no *legal way* to either stop or punish him till somebody has been killed as the result of his teachings.



Among the fallacies most prominent, most specious and misleading, iterated and reiterated as an axiomatic truth, stands the proposition that all wealth is created by labor, and therefore ought to belong to the laborers who create it. From a full belief in this proposition (that all wealth is created by labor and ought therefore to belong to the laborers who produce it), it is not far to the belief that laboring men should either take possession of, or destroy, all wealth; just, it is argued, as the slave should strike for his liberty and destroy or kill whatever or whoever stands in his way. And it is recklessly assumed that only those engaged in manual labor *for wages* are laborers. A grosser, falser, or more impudent, or groundless or dangerous dogma it would be impossible to find. Yet it is very plausible, and attractive and flattering to workingmen, and is the very germ of the seed of the present socialistic labor agitation.

The following unpretentious essay was brought to my attention a little more than a year ago. It made a profound impression on my mind regarding the root of the deadly upas tree of socialism that is so rapidly spreading its poisonous branches throughout the civilized world. In my judgment it completely uproots the Labor-value fallacy, and is worthy of the widest circulation and of the thoughtful study of all who would be well informed on the first principles of questions and doctrines upon which, as citizens, they may be called to pass judgment and make decisions.

When first published this little book was noticed by a large number of the most intelligent journals of this country, and by some in Europe, to an extent and in a manner usually only accorded the exhaustive works of the best known authors; showing that it had arrested the attention of a large number of the best critics of the press. Even those who took decided issue with the writer, admitted it to be a work of unusual originality and power. A sentence or two from a few of these notices will indicate the opinions of those who ought to be competent judges, and corroborate a high estimate of the value of its brief but pointed presentation of the subject.\*

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\* "A valuable contribution to the social-science discussions which are now agitating Europe and America."—*Chicago Tribune*.

"The book is one of the most thoughtful of recent contributions to economic literature."—*Chicago Times*.

"While Mr. Scudder's argument has been preceded by MacLeod and others, it is nevertheless timely, true, and sensible."—*Chicago Inter Ocean*.

Some of the notices from which these extracts are taken are quite long, and many more of similar import might be given, from other leading journals. But these will suffice, it is hoped, to convince those to whose attention they come, that to read the book will not be a waste of time. The argument, it will be noticed, does not pretend to be exhaustive; nor does it *even undertake* to define the full relation of labor to capital or to value and wealth. It admits all the honor and dignity due to labor, as one of the most important forces in the production of wealth and of the world's progress, but emphatically denies its Omnipotence as the only force. It argues conclusively that labor, to produce value or wealth, must be intelligently expended in the production of something adapted to the world's wants, and that it is this adaptation of the thing produced, and not the amount of labor expended on it, that is the test and gauge of its value. Labor

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"The work merits a careful reading by all students of the perplexing labor problem."—*The Interior*.

"In this essay \* \* \* some of the most popular of the socialistic dogmas of the present day are searchingly investigated."—*New York Home Journal*.

"It is strong in treatment, simple in style, and important to all interested in political economy."—*Boston Globe*.

"This much besieged and beleaguered question (the labor question) gets a little fresh thought in a tiny book just published [*The Labor-Value Fallacy*]. A good deal of the sentimental rubbish wherewith labor reformers have enshrouded the question, is cleared away and common sense and hard fact put in its place."—*Boston Transcript*.

"Mr. Scudder's arguments are sound and his point of view is distinctively the right one."—*The (London) Saturday Review*.

"The best book on this aspect of the question [socialist view of labor] is a short one by M. L. Scudder, Jr., on the *Labor-Value Fallacy*."—*The (New York) Independent*.

"We wish to call the attention of thoughtful men who are befogged and perplexed by socialistic reasoning, to the calm consideration of the subject presented in this little book. It is a blow straight from the shoulder. It smacks socialism square between the eyes and is intended to hurt."—*Boston Commercial Bulletin*.

"Mr. Scudder makes many happy points and shows an intimate knowledge of the subject he treats \* \* \* \* is a savage onslaught upon the pet axiom of the socialists."—*New York Herald*.

"The spirit of the work is excellent, but it seems to us that his reasonings are not entirely faultless; but books carefully prepared like this will prove helpful in clearing away many errors and in getting us nearer on our way toward the true answer."—*Banker's Magazine*.

may be as easily wasted as any other commodity. Scores of instances will occur to any one who will give the matter a little careful thought where he knows of labor's being foolishly thrown away in wild schemes or in the production of useless things. It is not, therefore, simply the expenditure of labor, nor of capital, that produces and reproduces, value or wealth, but the *intelligent* expenditure or investment of either or both, *and saving the results*. *It is brains that gain and govern—not mere money, muscles and bones.*

Nothing in these pages need be, nor can honestly be, construed to underrate the character of labor, nor deny the credit due to labor and to workingmen. Labor has its rights, which it is preëminently the duty of government to foster, protect and defend. But it will get its rights most readily by confining its claims *to* its rights, and *not* by "Claiming the Earth," nor by making any other preposterous and silly demands.

*Thos. M. Nichol,*  
*Secretary P. L.*

CHICAGO, December 8th, 1886.



## INTRODUCTION TO NEW EDITION.

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This pamphlet was written more than two years ago during some of the spare evenings of a busy life. The writing of it set my mind at rest concerning socialism and gave me a satisfaction similar to that which follows the successful solution of a perplexing mathematical problem. I had no expectation that it would become popular reading, but it seems to have met with favor in a limited way, and its publication is now requested in cheap form for popular circulation.

I am well aware that it is too concise in its form—too bare of rhetoric and illustration, to appear at first sight, to the ordinary discursive reader, as an adequate reply to “Progress and Poverty.” But a little bullet, well directed, may pierce the brain of a monster and serve the purpose of destruction as well as a landslide.

I ask only that these pages be read deliberately and thoughtfully. Let the reader take in what I have written in a practical, every-day mood: Let each one test the argument in his own experience, trying to select some transaction, within his own knowledge, in which labor alone has created value in exchange. If he cannot do this, he may conclude that there is something wrong in the generally accepted theory.

## INTRODUCTION.

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No one can regard with absolute indifference the fierce discussions concerning social relations which are now agitating Europe and America. Every inhabitant of these continents has something at stake upon the outcome of these discussions; and it is very important that sincere men should be able to take a clear and confident stand in these disputes.

I have observed that a large proportion of men, who are beyond question intelligent and sincere, are far from confident in reference to socialism. On the contrary, I have found many benevolent, well-informed men in avowed sympathy with socialism. It is not uncommon to hear a good word for socialism spoken by careful and conservative citizens, and not infrequently I have heard socialist arguments put by, as impracticable, solely on the ground that mankind never can expect to reach perfection.

For a long time I was befogged and perplexed by socialist reasoning. The arguments seem unanswerable, when their theory alone is considered; but their application to practical affairs involves so much that is unfair and unjust, so much that is destructive of the noblest qualities of individual character, and the most prized influences of social life, that their adoption seems a dreadful possibility. It seems that in order to follow a correct theory, one must engage in a cruel crusade against the cherished institutions of modern civilization. The choice is a hard one; and yet, I believe that there are thousands in

whose minds this question has taken this form. I believe that there are many thousands of well-meaning, order-loving people, who, affected by socialist reasoning and the current teaching of political economy, entertain more or less well-defined opinions, that the principles upon which society is organized are radically wrong.

The manner in which the writings of Mr. Henry George have been received, read and commented upon, shows this quite sufficiently. I do not say that he has secured, in this country, a large following, who are ready to put in practice his scheme for the "nationalization of the land." His book, "Progress and Poverty," which posterity will probably adjudge mere balderdash, has had a wider circulation than any other book published in recent years. It has been seriously and respectfully read; and the tone in which editors and professors and thoughtful men speak of it, shows, at least, that much doubt exists as to whether his claims are not sound. The partial and inadequate character of the replies which have been made to his arguments, and the bad temper with which his views have been denounced without being disproved, exhibit, too, the profound impression which he has made on the public mind. I think, I may describe the state of mind, in which Mr. George's book is generally read, as one of involuntary credulity. Men refuse to accept and act upon the conclusions, but do not deny the argument.

Although I venture into this field with much hesitation, I shall attack the very foundation of Mr. George's argument. In doing this I shall be compelled to controvert the positive conclusions of much

higher authority than Mr. George can claim to be. I expect to be misunderstood by the superficial, condemned by the careless, and perhaps vilified by partisans and controversialists. I wish to disclaim at the outset a too positive tone, for in examining these great questions there is always the danger that one may mistake a part of the subject for the whole. There may be facts just outside the field of vision, which, if embraced in the view, would materially modify or change the picture. But while admitting this possibility, I shall strive to tell accurately, and without prejudice, so much as I have to tell. The proper spirit, it seems to me, is that each one shall describe clearly what each one sees, but with the constant admission that no one can see it all.

I do not appeal to the authority of great names, but to the every-day common sense of those who favor me with their attention, and I shall be satisfied if I may be able to impart to some well-meaning men new confidence in old virtues. If I can show that intelligence, diligence, sobriety and honesty still remain the only trustworthy means by which success and contentment can be attained, and that all theories for securing the rewards of these virtues, without the rigid practice of them, are fallacious and vain, I shall rest well pleased.

There are many who are looking gloomily into the future, seeing there the triumph of socialism—family ties and home-life destroyed, social intercourse made a monotonous routine of distasteful endurance, and man reduced to a mere feeding, muscle-exerting machine. It is my aim to prove to those discouraged by this vision, that the true

progress of mankind is not in this direction, and that it needs but a clear appreciation of the fundamental conditions of economic relations to dissipate this disagreeable apprehension. This horrible Frankenstein, socialism, now dominates with its baleful power many minds. If the central and vital secret of this monstrous enchantment can be touched and destroyed, it will vanish shrieking, like the evil genius of the Arabian tale, and its victims, relieved of its paralyzing presence, will breathe again with old courage and hope.





## THE LABOR-VALUE FALLACY.

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### Socialism's False Foundation.

THERE are two kindred propositions, generally tacitly assented to, which I think produce a vast amount of discontent and misery. These are:

1st. *All wealth is created by labor.*

2d. *The title to all wealth ought to be vested in the laborers who have produced it.*

To a great many intelligent people, I have no doubt, these propositions seem self-evident truths. They pass currently unchallenged. They appear as the foundations of the creeds of nearly all the labor agitators. They give the key note to the labor discussions in the newspapers. They figure prominently in political platforms; and in the minds of numbers of men, who are neither agitators, editors nor politicians, there is a consciousness, proceeding from habit, that it is useless to question these *dicta*. There are thousands of workmen, too, to whom these propositions have an almost religious sacredness, and in whom, sullen rage and feelings of continued injury are produced, by ruminating upon them. They furnish the basis for all modern socialist systems. The International with its million of members, the nihilist societies of Europe, the socialist-labor parties of Germany and the United States, have been animated

and energized by belief in them. And whatever of logical consistency one can discover in the writings of Mr. Henry George, comes from the assumption of the truth of these, his fundamental premises.

It is my purpose to call in question the truth of these important propositions. I think them wholly false. I think that all theories and systems springing from them must be erroneous and demoralizing, and that all attempts to put them in practice will end disastrously.

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### Origin and Growth of the Fallacy.

ADAM SMITH AND RICARDO.

The germ of the proposition that all wealth is created by labor can be traced to Adam Smith. He said, in "The Wealth of Nations," "The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it, etc." "Labor was the first price—the original purchase-money that was paid for all things." "In that early and rude state of society, which precedes both the accumulation of stock and the appropriation of land, the proportion between the quantities of labor necessary for acquiring different objects, seems to be the only circumstance which can afford any rule for exchanging them for one another."

These and other similar expressions, which can be found in his book, are by no means the equivalent of the modern form of this proposition. Adam Smith seemed to regard these ideas concerning value, as merely suggestive, and as applying especially to the early and chiefly imaginary condition of man.

When he treated of actual transactions in the market, he accounted for the values of commodities in quite another way. But he said enough to suggest the notion to Ricardo, and it was by him made more definite and positive. Ricardo maintained that the exchangeable values of commodities are in proportion to the quantities of labor expended in their production. But he carefully explained that this is true only of commodities in the production of which unrestrained competition is possible.

#### JOHN STUART MILL AND BASTIAT.

John Stuart Mill gave much encouragement to the growth of this proposition, by the professed adoption of Ricardo's definition, although qualifying his approval by many important conditions. He said, "The value of commodities therefore depends principally, . . . . on the quantity of labor required for their production; including in the idea of production that of conveyance to market." He also carefully limited the application of this rule, "to cases in which values and prices are determined by competition alone."

Following in the foot-steps of these illustrious thinkers, subsequent writers on political economy have treated of value as the creation of labor, generally complicating the idea with more or less original modifications, but almost always presenting labor as the most important element in determining value. Even Bastiat's definition of value: "the relation of two services exchanged," receives this interpretation from many of his disciples, service being understood by them to mean labor.

The result of these discussions has been, that the various complicated exceptions to this theory of value have been overlooked by general readers, and the central idea only has remained in the popular opinion; and it has come to be commonly accepted as a fundamental truth, that value is created solely by labor. On this foundation the socialists have built.

KARL MARX.

Karl Marx is probably the leading socialist reasoner, and his reasoning starts from the assumption that all value should be measured in units of labor. It was his argument, preached among the workmen of Germany and France, which caused a million names to be enrolled as members of the secret society of the International. It was his teaching, developed through the International, which contrived, directed and afterwards approved the atrocities perpetrated in 1871, under the Commune of Paris. These theories animate the nihilists of Russia, and kindle in the breasts of students and young girls an enthusiasm for assassination and destruction, which the severest punishments cannot repress.

I confess, that if Karl Marx is right in assuming that all value is created by labor, and that laborers are justly entitled to the products of their labor, that it is extremely difficult to show where his followers are logically wrong, in concluding that all private property is theft, that property owners are generally criminals, and that those who support and administer governments, which do not recognize the right of the laborer to possess all the products of his labor, are social pests, whom it may be a social duty to remove.

That this conclusion is warranted by this premise, is evidenced by the paralysis which has affected the reasoning world, while these results of these doctrines are being worked out before the public eyes. Intelligent men all over the world shudder at these sights, but are dumb. Aristocrats tremble, contrive more terrible penalties, and make martyrs of the fanatics. Men of peace and property everywhere look with apprehension into the future, and hope the present organization of society will last out their time. But no where is there a voice raised to say, that this crusade against society is based upon a cunning falsehood, which will prove an economic absurdity, whenever brought to a practical test.

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### Outline of the Socialist Argument.

The following is the argument, which leads from the admission that all wealth springs from labor, to the justification of the annihilation of civilization, by a chain whose links are too strong to be easily broken :

All wealth, that is everything which has exchangeable value, is created by labor. Then everything not created by labor has no exchangeable value and is not wealth. But many things not created by labor are bought and sold and treated as wealth. It follows that traffic in things not created by labor is a wrong done to laborers. All things not produced by labor are for the common use of all men. That individuals should be permitted to appropriate to their own exclusive use these objects, and shut out other men from the enjoyment of them, is a monstrous

outrage. To put an end to this wrong is the aim of socialism. But it can be readily seen that the task of remodeling society by degrees is a hopeless one. So intricately is this great so-called wrong woven in all the relations of men, that centuries of continuous agitation can not be expected to eliminate it. There is logically and consistently nothing to be done but to destroy the whole fabric, and make out of the ruins a new civilization, which shall know no wealth but that created by labor.

#### THE SINCERE SOCIALIST'S HOPE.

In the view of the sincere socialist mankind will be perfectly prosperous and happy, if all the gifts of nature are held as common possessions, and if a benevolent common government supplies the wants of each individual, while expecting each to create value for the common benefit, according to his ability. Believing this, and seeing poverty and misery in every habitable land, is it wonderful that the earnest socialist proposes thorough measures? To the majority of persons, who are quiet, law-fearing, property-cherishing citizens, the anarchists and nihilists seem savage beasts, and their doctrines the incomprehensible malice of fiends. But to themselves, it can not be doubted, they appear self-devoted benefactors of the human race. Their enthusiasm has been compared by a careful observer to that displayed by the early Christians, when they looked hopefully for the general destruction of the world, and saw, with eyes of faith, a new heaven and a new earth arise from the burning elements, and were led by this vision to willing martyrdom.

## NO PRACTICAL APPLICATION.

It is remarkable that although socialist doctrines, based on the labor value of all property, have been earnestly advocated by many able and sincere men, such as Saint Simon, Owen, Fourier and Marx, for more than half a century, they have produced no impression upon the organization of society. As far as I can discover, there has been no change or modification of social order effected by socialist sentiment, and yet these sentiments have received respectful attention, especially in this country, and have been adopted and put to practical test, at one time or another, by many well-informed and earnest people. Isn't it strange, that if there is any thing really capable of improving society in socialism, it should not have developed by this time, and been made use of? That no such influence has come from socialist discussions is pretty good evidence, that no beneficial reforms of present conditions should be looked for from that source. It is evidence also, that the extreme socialists, the anarchists and nihilists, are logically correct in their position. Socialism is incapable of modifying existing society and changing its form by degrees. The only consistent socialist is he who goes to the root of the matter at once, and desires the total destruction of all property, that on the ruins of civilization, a new society may grow up, in which no property will be permitted to exist, which will not exchange according to the quantity of labor exerted in producing it. The only mistake the anarchists and nihilists make is in not going far enough. Their programme is incomplete, in leaving

human nature unchanged. To fully accomplish their object, they need the services of a comet or of a glacial epoch to wipe mankind off the earth's surface, and then they would be obliged to find a new creative energy, to produce a new order of beings, who would "produce according to their capacities and consume according to their needs." There is no other reform radical enough to satisfy the demands of the socialist theories, and no less thorough measures will give their system a fair chance.

#### LOGICAL CONSISTENCY OF THE ANARCHISTS.

The anarchists deride their half-hearted brethren, who merely advocate the confiscation of private ownership of land, for the inconsistency and inefficiency of their proposals. They sneer equally at the moderate (?) idea, which is now cherished by probably a majority of the workmen of France, that the State or the municipalities may be captured by the exercise of the elective franchise, and the rate of wages fixed to meet the wants of the laborers, some sort of penalty established for exceeding the regular hours of labor, and a law passed that work (and a satisfactory compensation) shall always be furnished to those desiring it by somebody. The anarchists are right. These reforms can never be secured by peaceful means, and can never be made parts of the present system. The whole theory of existing governments is opposed to these changes. If carried by all the ordained means of establishing laws, not one of these propositions could be successfully put into effect. They would fail as all similar laws have heretofore failed, and their discouraged projectors



would then have no refuge for their hopes, but in anarchism and the complete demolition of all governments. The anarchists are acute enough to see this, and so they treat all these moderate counselings with undisguised contempt. The anarchists are the enthusiasts, the fanatics of socialism. They will hesitate at nothing, if a chance for action presents itself, and, consistent in their belief, they will lead, and if a temporary advantage is gained, the mass of more conservative socialists will follow them, just as they followed them in Paris in 1871.\*

#### FRANCE.

France is just now the field in which these demonstrations are most likely to be made. A great part of the handicraftsmen and many of the agricultural

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\*NOTE.—Nov., 1886.—A very apposite illustration of the tendency of all socialists to fall in under the lead of the anarchists whenever the latter move in lawless acts for the destruction of society, is afforded in the present attitude of the various social and labor organizations of this country with respect to the condemned anarchists in the county jail at Chicago. When the Haymarket murders were committed the Knights of Labor and the labor unions disavowed any sympathy with the theories or methods of the perpetrators; but in the months which have passed all these societies, with more or less vaguely defined socialist leanings, have been gradually brought to take a lively interest in averting punishment from the anarchists who advised and contrived that crime. The members of these societies are now actively circulating petitions for their pardon, and contributing funds liberally to be used to avert the execution of their sentence. Why are Henry George's followers or the Knights of Labor more interested than other people in saving these criminals from the gallows? Is it not because they are really anarchists at heart, although they may not have confessed so much to themselves? They know instinctively that the anarchists are logically their leaders, and if these fall the triumph of law and order will be uncomfortably complete and permanent.

laborers have socialist opinions. A political revolution will furnish opportunity. The anarchists will assume control, and will display a reckless energy, which Frenchmen always admire. They will be followed by an immense army, which will wage war, in all the large cities of France, not only against persons, but against property, and will destroy with a wantonness which has never been known before. This civil war will end, as it only can end, in the restoration of order in a desolated land.

This is all likely to happen, and will possibly be the next important event in the record of socialism. This is all caused by the belief that all value is created by labor, and that the laborer is rightfully the owner of the products of his labor. If these propositions are true, the socialist mob will be justified in reducing to ruin the cities of France. There is no stopping place, between admitting these propositions and committing France and every other civilized land to dynamite and fire. Is not this sufficient to suggest grave doubts, as to the ability of labor to create value? Is not this a sufficient *reductio ad absurdum*?

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### Mild Forms of Socialism.

The tendency to socialism is probably indicated by the desire to advise rich men how to make the best use of their property. This office of gratuitous adviser to the wealthy is assumed by many well-meaning people, including not a few editors of newspapers. These speak with the air of authority, as if they had some sort of public commission, and threaten dreadful but indefinite consequences if their

advice is not followed. These would probably disclaim any socialist sympathy.

The mildest form of acknowledged socialism is probably represented by the proposition to compel, by unequal taxation or otherwise, the owners of large unoccupied estates to dispose of their lands or open them to settlement. I think the beginning of socialism may be seen in an inclination to make the burden of taxation rest, in undue proportion, on the larger owners of property. This would be a virtual violation of the implied contract which society has entered into with each of its members, which stimulates individual exertion by guaranteeing equal protection to all. It would discourage exertion by putting a stigma on good fortune and success.

The proposal is sometimes made that large incomes should be taxed at a high rate for the avowed purpose of preventing property accumulating in single hands. This would be a return to semi-civilized methods, such as prevail in oriental countries, where men are forced to conceal their riches from the rapacious tax-gatherers, in order to avoid confiscation.

Bismarck has been accused of socialist tendencies, because he has proposed to establish a State insurance of support to workmen, disabled in prosecuting their craft. But this may be explained as a measure of public policy; and such a system might and probably would be administered by the German government so that it would not offer a reward for shirking. It can easily be imagined, that such insurance might be less socialistic in its influence than the old poor laws of England, and might become a beneficial element in a well-regulated industrial society.

There are a considerable number of professed political economists, who are not ready to call themselves socialists, who nevertheless adhere to the purely socialist doctrine, that inheritance of property is a violation of the rights of man. J. S. Mill took substantially this position, led to it by the assumption that the title to all property is derived from labor. It follows that the law, which gives to the son property for which his father alone labored, confers an unjust title. This conclusion must follow this assumed premise, but I hold the premise to be wholly false.

#### HENRY GEORGE'S STANDPOINT.

The first landing place of active agitation on the logical ladder which leads, from the admission that all value is created by labor, down the bottomless pit of socialism, is at present occupied by Mr. Henry George and his followers. Mr. George writes in a popular and persuasive manner, and his writings have been widely read. His plan for the relief of the poor is to have the State take possession of all land and become the universal landlord, applying the rents received to the wants of the needy. This idea is not original with Mr. George, but he presents it just now in a new dress, and calls it "the nationalization of the land." It is an old notion, but has not received much attention heretofore from practical men, for the obvious reason that in practice it would multiply indefinitely the number of the needy, and would greatly decrease the number who would be willing to pay rent.

"Nature gives wealth to labor, and to nothing but labor. There is and there can be no article of wealth

but what labor has gained by making it or searching for it, out of the raw material which the Creator has given us to draw from. If there was but one man in the world it is manifest that he could have no more wealth than he was able to make and to save. This is the natural order." From "Problems of the Time," by Henry George.

This is Mr. George's fundamental principle. If it is admitted there is no use in denying that private property in land is unjustifiable. But, believing this, why does Mr. George stop with this demand? Perhaps he doesn't like the looks of the pit below him, and fancies that mankind will be able to stop on his little landing place. But he is greatly mistaken. The inexorable ladder leads down to chaos. Give us once the nationalization of the land, and one must then follow the footsteps of the anarchist and the nihilist to a lower deep.

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### "The Right to Labor."

The next important point to which a formidable body of socialists expect to carry affairs is the recognition of "the right to labor." It is for this the workingmen of France are now pressing. If we admit that a portion of the soil is the birthright of every man, we must allow that society in taking possession of the soil, or permitting a limited number to take possession of it, deprives the landless of their rights. As a compensation for this deprivation—for this arbitrary taking away of the means by which nature intended all men to obtain support—society must provide each man with an occupation, an opportunity to labor, by which he may earn a

comfortable living. This is "the right to labor." It is not a new idea. It was put in practice to a limited extent, but with most disastrous results, by the influence of Louis Blanc under the Republic of 1848. More than anything else this wretched attempt to force the State to support the artisans of Paris, disgusted the people of France with a republican form of government at that time, and prepared their minds to accept the empire of Louis Napoleon. Events are moving in similar grooves in France now. The French people are now more confirmed in republican habits of thought, but the socialist element is also stronger and more hopeful. The workmen expect to obtain power by their votes, and they propose to have the right to labor acknowledged, and a law passed fixing a minimum of wages, and forbidding the dismissal of laborers, except for mutiny, and providing that the State shall lend capital to great corporations, which shall undertake the principal branches of industry. When this or any similar scheme shall be taken up by the French Republic, the world may prepare to hail another Emperor of France. He will not then be far away, although France may be obliged to pass through fire and ruin to find him.

#### SOCIALIST EXPERIMENTS NEVER SUCCESSFUL.

It cannot fail to strike the curious inquirer as singular that although there are millions of men, who believe that all value or wealth is created by labor, and that the title to all wealth should be in the laborers, who have produced it, that no community or state has been organized successfully on this principle. It is true that many such attempts have been made,

but these have all proved total failures, with the exception of one or two, which still drag out miserable existences, furnishing illustrations of the wretchedness of the cause in which they suffer.

It is a matter of surprise, too, that Mr. Henry George, having doubtless caused much mental misery among his landless readers, does not attempt to satisfy the longings for the happiness which is to be obtained under "nationalization" of land by organizing a colony to occupy some unappropriated part of the earth's surface. If Mr. George can show us by actual demonstration how a community, practicing his teachings, obtains more happiness individually and collectively than others, he will have done more to convince us than by printing the most eloquent appeals. As it is, he has only caused a great deal of discontent, and it is open for the least argumentative questioner to refute him, by pointing out the very considerable contentment and happiness which can be seen in societies acknowledging and protecting individual ownership of land, and challenging him to show better results under his system. The fact that he has made no attempt to do so, is to be counted against him, as showing lack of faith in his own principles.

#### IMAGINARY CREATORS OF WEALTH.

During the last century the civilized world has been engaged in devising and celebrating the apotheosis of labor. Poets have sung its virtues. Orators have declaimed its merits. Statesmen have done it honor. And political economists have fallen down and worshiped it. Far be it from me to treat it with

irreverence; but I wish humbly to suggest that there may be other gods in our economic pantheon, and that possibly a little incense, burned before some of the other productive powers of our mundane system, may be equally well consumed.

Our progenitors in prehistoric times adored the sun as the producer of all good. From his beams they seemed to derive all benefits, and to him they rendered all praise. Later on, in the dawn of history, the elements became the fashionable sources to which to accredit blessings. Earth, water, fire, air, were all personified and deified, and mankind gave to them respectful prayers and thanks for the satisfaction of all their wants. After a while the idea of deity became elevated, but throughout Christendom, for centuries, there were a great variety of saints and supernatural agents to whose kind offices prosperity and good fortune were ascribed. Just at the beginning of the commercial era of modern times, the precious metals received the eager reverence of men, as the wealth containing, if not the wealth producing powers. And when these lost this exalted station in the estimation of men, Quesnay and the physiocrats raised agriculture to the high place of creator of all value.

This is not by any means an enumeration of all the objects and forces to which homage has been rendered in return for the possessions, which men have used and enjoyed. But it is sufficient to show that there has been a difference of opinion, at different times, as to the real causes of wealth. It seems to show also that certain popular notions have prevailed, to the exclusion of all others, at certain periods. Noticing the fallibility of human opinion in past



ages may suggest a doubt as to the correctness of our own time's belief.

#### IMPORTANCE OF ADAM SMITH'S VIEW OF LABOR.

It was, no doubt, in opposing the mercantile theory and the agricultural theory that Adam Smith suggested, that labor was the first price paid for all things. The world was in the mood to take up and exalt labor. The author of the "Wealth of Nations" struck a responsive cord. Labor had been from the foundation of the world overlooked and despised. Invention was then beginning to furnish new means of satisfying desires. Commerce was developing new avenues of activity, new regions of the earth's surface, and new political ideas. It was fitting that labor should be treated with greater respect, and be lifted to a more important place in the calculations of men. An era of progress in industry, hitherto undreamed of, was commencing.

The importance of the suggestion made by Adam Smith, at that time, can hardly be overestimated. It gave a philosophical basis to the economic progress of the civilized world. But the time will come, if it has not already come, when the world may ask to its advantage, if there are not other elements of progress which deserve its attention, and whether there is not danger of reaching a pernicious extreme and subordinating the best interests of society to the demands of the self-conscious, all-demanding workingman—the spoiled child of the nineteenth century.

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#### Workingmen not Generally Socialists.

I am far from believing that the real workingmen of this country, who are for the most part orderly,

contented citizens, are avowed or secret socialists, and it is only of those who are members of socialist organizations and have socialist sympathies of which I now speak, as wishing to give labor a pernicious influence in society. But I hope to convince all candid readers, that the best interests of society are not to be served by unduly exalting labor as the creator of all value; but that a society in which there are many grades of individual inequality,—in which each, having different accomplishments, and diverse duties, does his best in his particular place, is the highest form of social development, and that in which each enjoys most perfectly the happiness of which his life is capable.

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### Labor and Value.

I have endeavored to show what are the logical consequences of the assumption that all value is created by labor. I will now try to prove that this assumption is false, and that it has no reasonable foundation in human nature or in fact.

I must be understood as using the term labor, in the sense in which it is generally employed, as meaning manual labor, that is physical exertion directed by more or less mental effort and put forth for some useful end.

By the term value I mean only value in exchange, and by the term wealth the aggregate of those things to which value in exchange attaches. I do not suppose that anyone, even the most stubborn socialist, will claim that value in use is always the creation of labor, or that things which have no value

in exchange can properly be called wealth, although there are many passages, in the writing of Mr. Henry George, and others, which might be interpreted to have this signification.

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### What is Wealth?

\* The South-Sea Islanders, who are able to supply their individual wants by their own individual exertions, have nothing to exchange with each other, and consequently have no wealth ; but when a European trader comes, and offers beads for their cocoanuts, wealth makes its appearance. A man living and dying alone, on an unvisited island, has no wealth, although he may have all the wants supplied and many possessions. This word is used very loosely, even by political economists. It is frequently employed to describe possessions in general, without reference to their exchangeable quality. But unless it can be held to apply only to those possessions which have value in exchange, it loses all precision. Air and water are possessions, which have value in use but no value in exchange, and should be reckoned as wealth, if wealth is not limited to things which have value in exchange. Mr. George frequently uses the term wealth in this befogging sense, to describe things having value in use but no value in exchange. He has done so in a passage which I have previously

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\* Captain Cook found some Australian tribes to whom the idea of traffic seemed unknown. They received what was given them readily, but they received it as a present only ; they seemed to have no notion of giving anything in lieu of it.—*Bagehot, Economic Studies, pg. 41.*

quoted, but I do not think that he will contend that it is its proper use.

At all events, I am gaining no unfair advantage for my argument by confining the term to those things to which value in exchange attaches. The assertion that all things which have value in use are produced by labor refutes itself. There is no occasion for argument, unless wealth is held to mean only those articles which have value in exchange.

#### NO PROOF THAT VALUE IS CREATED BY LABOR.

I have searched diligently in works on political economy, for some proof that value in exchange is created by labor. I find plenty of assertions of this dogma; plenty of references to authority; plenty of attempts to illustrate it by describing the doings of primeval men, but I have not been able to find any effort to derive this supposed rule from actual observation or experience. I have tried many times to discover in real transactions, in the most simple as well as the most complex, what influence the labor which had been employed in the production of an article has exerted in determining the ratio, in which it could be exchanged for other articles. But with all my efforts, I have not found a single instance, in which the price demanded or paid for any thing bore any ascertainable relation to the labor which made it. I may be more dull than others about this. I have often concluded that I must be so; but still the unguessed riddle would not leave me. I have not been able to admit to myself that an accepted axiom in economics could have no practical application. But, on the other hand, I have not been able to find any working

illustration of this one, I find its influence everywhere in theory, but nowhere in practice. It is indeed frequently brought forward, as a specious argument, to affect prices. A manufacturer may resort to it to induce a better bid for his product, or a merchant may plead it to avoid loss on his wares. Its use is a favorite artifice among auctioneers. But if its use occasionally enables an expert to drive a better bargain, the trick is pretty sure to succeed only in single cases, and general market prices are not affected thereby. The only place, where it seems to be sincerely accepted is in the destructive and revolutionary plans of the socialists.

LET STUDENTS OF POLITICAL ECONOMY MAKE  
A TEST.

Let any graduate of any of our many colleges start out, with the teachings of his professor of political economy, and the definition of value from his text-book fresh in his mind, and engage in business on the basis that labor creates value. He will find many things selling for more, and many for less than they may appear to be worth, according to this standard. But he must buy for exact labor-value, and, adding the value of his labor, offer them for sale at the exact labor-value, which they have acquired in his hands. If he should carry on a profitable business on this basis, he would furnish an illustration long needed in political economy. But no one can doubt the result of such an experiment. A lot of rubbish on which labor had been wasted, would be accumulated on his hands, which would wait in vain for purchasers.

## LET MECHANICS TRY IT IN PRACTICE.

Let any mechanic, who has been persuaded by Mr. George's writings to believe that value is created by labor, make a practical test. Let him rely on this principle fully, and make no contract for his remuneration before completing his work. But let him turn his hand to whatever work takes his fancy, and then let him call on the world to come and buy his product, at a price fixed according to the amount of labor he has expended upon it. Will his appeal bring purchasers? Will he not find that his ability to exchange the article which he has made, for money or for anything else, depends solely upon its adaptability to the wants of some one, and not at all upon the labor which he has expended upon it? A few such practical trials of the first principles of socialism by workingmen, who have been attracted by the promising pictures drawn by socialist agitators, would produce a very good effect.

## OWEN'S LABOR EXCHANGE.

A very amusing account is given in Holyoake's "History of Co-operation" of several attempts about fifty years ago to establish labor-exchanges. These labor-exchanges were consistent endeavors to carry on trade upon the theory that all value is created by labor. It was provided that any kind of commodity could be brought to the exchange, and appraised according to the amount of labor expended in its production. Labor notes were then issued therefor, the unit of labor being one hour, and these notes were receivable in the exchange for any article according to its appraised price in labor units. Mr. Robert Owen, the wealthy philanthropist, was the

originator and chief director of the most important of these labor-exchanges in London. He provided the means to start it, and gave his time to the superintendence of its operations. His popularity brought custom to it, and his ability gave the experiment the best possible chance of success. It carried on a large business from the start, and at first appeared wonderfully successful. A large amount of merchandise appeared on its shelves, and its labor-notes were circulated quite generally in the neighborhood. These notes were received with considerable favor by local tradesmen in exchange for their goods, and it seemed as if a new era in commercial affairs had dawned. But soon it began to be perceived that the really desirable goods were disappearing from the shelves of the Labor-Exchange. The local tradesmen who had shown so much favor to the movement, at the outset, had succeeded in transferring to the Labor-Exchange their unsalable stocks, and had taken away the really valuable goods which the enthusiastic believers in labor-value had brought in. The labor-notes began to depreciate, and fell rapidly into discredit, when it was found that little remained in the Labor-Exchange worth the trouble of removing. The whole affair came to an end in less than thirty days after beginning business. There were labor-exchanges on the same plan started about the same time in Birmingham and Sheffield, and in America, in Cincinnati and New Harmony; but all of these seem to have been miserable failures from the first.

It is strange that these very well known efforts to effect exchanges according to the generally received theory of value, should not have attracted more attention. As far as I know these were the only

attempts of this sort ever made. They failed miserably, and yet the theory remained unshaken, and has been winning adherents ever since.

#### NO LABOR-VALUE RECOGNIZED IN MARKET PRICES.

I think if any one analyses the elements of the price of any commodity (price, which is value expressed in money terms, affords the only opportunity for accurate observation of value) he will find that labor employed in production bears no regular nor calculable proportion to the quantity of gold, for which the commodity may be from time to time exchanged. If such proportion cannot be discovered and stated in comprehensible language or figures, I claim that it is absurd to assert that labor determines value, and, if it is possible to be so, it is still more idle and foolish to maintain that labor creates all value.

I think that it will be acknowledged by any one, who studies the fluctuations of the markets, where the important commodities of commerce are bought and sold, that the wants of men are the chief influences which determine prices. The most favorable conditions for studying the influences by which prices are made are furnished by the great exchanges, in which the chief commodities, such as grain or cotton, are traded in. Here are concentrated, as in a focus, all these influences, and men of keen minds and wide information are giving closest attention to observe their force and effects.

No scientist gives more concentrated thought to the object which he holds under his microscope, than do the dealers in the great exchanges give to the course of trade. They, if any men, should know the powers which form and fix prices, and if there is



any agency which creates or determines value, they should recognize and appreciate it.

Let the student of value go on the floor of the Board of Trade in Chicago, and observe what influences are regarded as important in determining the price of wheat. He will find that all these influences may be classed easily under two heads, first, and perhaps most important, the demand, second, the supply. If he is able to impart any information, which may come under either of these heads, he will be listened to with eager interest. But suppose that he has been able to make an accurate calculation, which shows the amount of labor expended in producing a bushel of wheat, and that he exhibits this valuable contribution to economic science to the members of the Chicago Board of Trade. He will find that no one has any time to spare to attend to his great discovery, and that it will have no more effect on the course of prices than a calculation of the ages of the Pyramids.

The conclusion, after observing the opinions of experts in prices on the Board of Trade, will be that prices, and consequently values, are not determined by any one influence or class of influences. They are as uncertain as human life and as changeable as human opinion. They are the evidences of mental actions, and not the creations of physical efforts.

#### LABOR BUT ONE OF MANY FORCES ENGAGED IN PRODUCTION.

The sap which swells the tree does not create the value of the timber. The chemical action, which formed the coal in the earth and the iron in the hills, made them exchangeable for wheat and corn, but

did not determine their value in exchange. The wind and the rain and the sunshine have had their share in producing the things which man buys and sells and uses, but have had no part in the fixing of the market prices. The labor of beasts has rendered man service, and so has the labor of slaves, but neither has had influence in determining how those services exchange. The labor of freemen differs in no economic sense from the labor of slaves. Each accomplishes its result according to the strength and skill of the laborer, and without reference to his political rights and condition. And this is true through the whole scale of labor, from the lowest drudge in the deepest mine to the professor of political economy in the most august university. It is the result which counts, not the instrument. The freemen has this advantage when the result is attained,—when the product of his labor is completed,—if he has not already sold his labor or his product, he may take it into the market and do the best he can with it. But he will find there, that it takes two to make a bargain, and that the labor which he has exerted cuts no figure in fixing value, unless it be that it has some subordinate effect on his own feelings. His main desire and his controlling motive will be to obtain for his product that which will give him greatest satisfaction, and on this basis the sale will be made.

#### COST OF PRODUCTION ANALYSED.

It is frequently said, that cost of production determines value. It seems to me that this amounts to no more than saying, that the value of a compound commodity is equal to the sum of the values of its

component parts. This may be approximately true within certain narrow limits. If there is no considerable fluctuation in the values of the component parts, during production, the value of the product, at the completion of production, will probably be about equal to cost of production. But it is quite improbable that the value of an article, completed a year ago, is now equal to cost of production, or that the value of an article, just finished, will be equal to cost of production a year hence.

This rule, even with these modifications, has many exceptions, and is not of much practical importance. It gives no opportunity for the deduction sometimes made from it, that therefore labor determines value. In those organized forms of production, to which this rule is generally applied, the labor employed is treated as a commodity. This it essentially is in all respects.

Cost of production never determines the value of agricultural products, or of railroad transportation, or of any commodity, in which the use of land or any article not capable of unlimited reproduction enters largely.

#### LABOR A COMMODITY.

Mr. Henry George and other socialists object to treating labor as a commodity. They give no reason for this objection, but seem to regard such a consideration of labor as a desecration of a holy subject. I cannot see that labor has any place in political economy except as a commodity. It is bought and sold and exchanged with other commodities, and the attempt to invest it with a different character has produced a great deal of confusion. Man, as a

laborer, has the same position in economics as any other machine through which productive force is exerted. But man as a reasoning being, having a soul and a vote, is entirely another thing, and is not treated of in political economy.

#### LABOR IN COST OF PRODUCTION.

Labor figures in cost of production as a commodity, and exercises no more influence in the price of the product, than does the cost of the raw material or the machinery. And the influence of the values of these component parts is not direct and absolute in determining the value of the product, but only indirect upon the minds of men, and thus, by affecting their judgments, upon the value. If any articles have been manufactured at a certain cost, under existing conditions, men suppose that more can be made while those conditions continue, at the same cost, and consequently will not pay much more, unless there is some urgency in the want; and the manufacturer, believing that the demand for his product will continue, will not sell below the cost of replacing it. This I think is a correct analysis of the way in which cost of production affects price, and it gives no ground for asserting that labor determines value.

#### LABOR OF PRIMITIVE MEN.

The claim, which is set up in many works on political economy, that the earliest exchanges made were effected according to quantities of labor, which the first men put forth in taking possession of, or putting in useful shape, the first rude articles of personal

property, seems hardly worthy of attention. But the brains of eminent men, such as Ricardo and Adam Smith, have engaged in drawing these imaginative pictures, and they doubtless have some influence on general thought. I cannot find any warrant for these idyls of the prime. The most careful research into ancient record and tradition has not brought to light any evidence, that early exchanges were made on such a basis. There has been no savage tribe discovered in which any such system of "natural" trade is recognized. On the contrary, the very extensive examinations of primitive customs, made by Sir Henry Maine, and M. de Laveleye, have shown that the first men of whom we have traces, were not traders at all. Human beings in the early ages knew no way of acquiring property from others but by force. Savage life has always been a life of warfare. Peaceful exchange is a product of dawning civilization; and all the exchanges since then have been made to satisfy wants. It is highly improbable, therefore, that any men ever existed anywhere, who bartered with each other, according to quantity of labor. It is only in modern times that labor has been so systematized, and so subjected to measurement, that it could be compared in quantities, consequently no such comparisons could have been made in rude ages.

#### A NAKED MAN AND A PLANET.

Colins, the Belgian socialist, has proposed to reduce this problem to its simplest terms—a naked man and a planet—and thus show that all wealth is created by labor. If the planet may be supposed as naked as

the man, the problem would very soon solve itself, and the solution would be a dead man and a planet. If the planet is supposed supplied with an agreeable climate and plenty of fruits and pleasant things, the naked man might get on very comfortably, but he would have no wealth, because his most enjoyable possessions would be too far from market, and would have no exchangeable value. The transportation rates, from the naked man's planet to the earth, would be more than the business would bear. But suppose there were two naked men started on an agreeable planet. Would their instincts lead them at once to establish a labor exchange? I think not. They would either form a primitive partnership and have all things in common, or one would become the slave of the other, or they would find that their dispositions were uncongenial. In the latter case one would either kill the other, or they would select separate hemispheres for their habitations. In fact, I think, about the last thing to suggest itself would be the possibility or utility of making a trade of some sort. But all such speculations are idle, and prove nothing either way. We have not solitary naked men on isolated planets to deal with, but many millions of men on a highly organized earth. There is a great deal of comfort and happiness enjoyed by these millions of men, and not a little of it is due to the high organization of the society in which we all make a living. It is much better for us to study the principles of this organization, that we may preserve and improve it, rather than contrive imaginary cases of imaginary beings to encourage us to despise and destroy it.

## UGHT PRODUCTS TO BE THE PROPERTY OF THE LABORER?

### WIDE INFLUENCE OF THE FALLACY.

The pernicious influence which the fallacy that all value is created by labor exerts over all thought at the present time might be illustrated by innumerable quotations, from all classes of writers. The deductions from this false premise appear on all sides. We have them from pulpits ; we find them taught in the public schools. We read them in all the newspapers, and in all sorts of publications. They appear in the messages of Presidents and in the addresses of Prime Ministers. Congressional documents abound with them, and political speeches are full of them. I have thought of making a collection of the most extraordinary outcroppings of this capital error. I could easily fill a volume with such quotations, and that, too, from the utterances of the most prominent men of the day. Strange reading such a volume would seem a hundred years hence, when, it is to be hoped, the socialist question will have been finally disposed of, and the world will be riding some other hobby. It would show that even the greatest men have a parrot-like way of using words, which they hear others use, and that few take the trouble to examine into the significance of popular expressions. One of the most common and most obvious of these deductions, that the title

to all property is justly vested in the laborers, I will endeavor to consider briefly.

#### MILL ON THE RIGHT OF PROPERTY.

I would like to quote a whole chapter from J. S. Mill's Political Economy on this point, but I will forbear and content myself with a few of the opening sentences, which I think fairly represent his views. He says:

“The institution of property when limited to its essential elements consists in the recognition in each person of a right to the exclusive disposal of what he or she have produced by their own exertion, or received either by gift or fair agreement, without force or fraud, from those who produced it. The foundation of the whole is, the right of producers to what they themselves have produced. It may be objected, therefore, to the institution as it now exists that it recognizes rights of property in individuals over things which they have not produced.”

Mr. Mill was judicious in his use of words, and carefully modified any expression which might be construed as bearing too harshly on established institutions, but he is forced by this definition of property to deny the right of inheritance, and the right of the landlord to the so-called “unearned increment” in the value of the land. He shows doubt as to the justice of both of these in this chapter.

#### THE BLACK HAND.

It is interesting to compare with this calm utterance of a philosopher, the opinions of the members of the *Mano Nera*, the Black Hand, of Spain. They say in their programme, issued before the last effort



to assassinate those of their neighbors whom they thought better off than themselves,

“All property acquired by the labor of others, be it revenue or interest, is illegitimate; the only legitimate possessions are those which result directly from personal exertions.”

This is not quite so well expressed, but it means the same, as Mr. Mill's words, and I do not see how Mr. Mill could severely criticize the assassins.

Mr. Mill was considerate and kind. He had no sanguinary or revolutionary spirit. Having stated his theories, such as his labor-theory of value, or this theory of the right of property, he modified them, and modified them, until they fitted pretty comfortably with existing facts. Some of his followers, however, are not so circumspect. They have adopted his theories, without the modifications, and they insist upon having the facts fitted to them.

#### LOCKE—THIERS.

M. de Laveleye says that Locke, the philosopher, was the first to state clearly the theory that labor is the basis of property, and Locke drew from this theory the following conclusion, which is not only a logical deduction, but is well developed socialist doctrine: “Every one ought to have as much property as is necessary for his support.”

M. Thiers in his book “*De la Propriété*” adopts and states this theory most emphatically. “To every one,” he says, “for his labor, because of his labor and in proportion to his labor. We may, therefore, say dogmatically, the indestructible basis of the right of property is labor.” M. de Laveleye,

commenting on this, says: "It may be said, that labor ought to be the source of all property, but this principle would be condemnatory of the existing organization of society."

#### NO TITLE BY LABOR KNOWN IN LAW.

In examining this subject, I have been astonished and almost overwhelmed by the number and weight of the names of modern authorities, who have given their unqualified approval to this doctrine. I have been surprised beyond measure, also, that none of these great and good men seem to have realized that in adopting this theory they were proclaiming that the whole fabric of society everywhere is a monstrous fraud, and justifying its total annihilation. But I have been, if possible, more completely nonplussed by not being able to find the slightest evidence of the truth of this doctrine in law or tradition or custom, in nature or in revelation. Where can the doctrine have come from? What are its sanctions?

The lawyers know nothing of it. There is no hint of it in any of the codes, and neither the civil law nor the common law shows any trace of it. There are many kinds of title known to the law, but the title by labor is not one of them. (Unless it be, perhaps, that patent and copyright laws can create for limited periods title by intellectual labor.) There is title by occupancy, title by possession, title by conquest, title by discovery, title by descent, title by purchase, title by gift—these all have been recognized and more or less respected, from time immemorial. If labor had any part in

creating any of these legal titles, is it not strange that there should be no evidence of it? Is not the conclusion unavoidable, that if labor creates the only rightful title, the whole body of the law, ancient and modern, is founded in injustice? And does it not seem more reasonable, that the law by which the relations of men for generations and centuries and ages have been controlled, is worthy of more respect than a sentiment of modern philosophy, which has never had any standing or influence in practice?

#### ANCIENT CUSTOM.

There is no recognition or suggestion of the title by labor in custom or tradition. Since Locke wrote on civil government, what amounts to a new department of human knowledge has been opened by investigation into the manners and customs of ancient peoples. And even since John Stuart Mill's work on Political Economy appeared, a most extraordinary addition has been made to our knowledge of antiquity. Of all those who have contributed to this new knowledge, Sir Henry Sumner Maine probably stands first among English writers. His books are remarkable in that they draw few conclusions, but give many facts. They do not dogmatically assert that the dwellers in the twilight of history thought thus and so, but they exhibit all the evidence, and leave the reader to draw such inferences as seem warranted. I have read Sir Henry Maine's books with care, and I have not been able to discover a single suggestion, that it ever occurred to a primitive man that labor gave any title whatever to property.

The notions of property possessed by the first rude men, of whose existence we find faint traces, were very simple compared with our own ideas. But they were not antagonistic to ours. Our habitual, almost intuitive, practices concerning property are but refinements and developments of the earliest conceptions of property rights, as described by Sir Henry Maine. He is of the opinion that the patriarchal theory of primitive life is the correct one. That is, that men at first associated in families, and that each family group was subject to the authority of the parent or eldest male representative of the parent. This life may have originally been as savage as that of wild beasts in their dens. From so low a point the organization of modern society may have begun. The earliest rules concerning property seem to have been for protecting the ownership of domestic animals. Land was a secondary matter, for there was plenty of it, but the flocks and herds were the objects of desire and contention. These animals were the property of the family, or rather of the head of the family, and each of the family, whether natural kinsman or a member of the group by adoption, defended the flocks and tended them, and took his part in the common fortunes. Those families or tribes, which subsisted largely by hunting, probably appropriated certain territory and punished with death the intrusion within their limits, of any other hunters. Sir Samuel Baker found the country near the sources of the Nile divided in this way, with well defined boundaries between many small tribes. Similar notions as to hunter's right to special ground were common among the North American Indians.

## THE EARLIEST RECOGNITION OF PROPERTY RIGHTS.

The right of ownership by conquest was early recognized. The property of enemies, even their persons, belonged without question to the victors. It is probable that the early transfers of property were all effected by conquest. There is no evidence of individual ownership of property among primitive men. The earliest transfers of property by agreement took place between families. It is conjectured that the first articles of individual property were arms or clothing. According to early Roman law, horses, cattle, slaves and land were all held by the same tenure, and could only be transferred with peculiar ceremonies, indicating that they were all regarded as the common property of the family or tribe, and could only be alienated by common consent.

## DEVELOPMENT OF INDIVIDUAL OWNERSHIP.

From these rude origins the right of property developed its various modern forms. The general advantage seems to be the force which has produced the successive modifications. There is no sign, that through the whole progress, the right of the laborer to the product of his labor has ever been respected or even asserted. When men became sufficiently intelligent to live peaceably together in large communities, the advantage of individual ownership became evident. I have no doubt that under individual ownership land became more productive, cattle more carefully tended, and the State more prosperous. Individual land owners proved more energetic citizens in devising good

government, and braver and more persistent soldiers in resisting invasion or pushing conquests. There is good ground for believing that the law of the survival of the fittest forced the adoption of individual ownership of land and other property upon mankind. But this process of change left so much of the old primitive law of property as could not be destroyed without disadvantage to society, notably the remnant of parental authority, and the principle of inheritance.

#### EFFECT OF TITLE BY LABOR UPON SOCIETY.

The development of custom is a very attractive field, and much more might be said to show that the labor-value theory of property has thus far had no part in shaping man's progress from the companionship with wild beasts to his present improved condition. I think I have said enough to convince any fair minded person that this is the fact. Whether man would have been better or worse, if at any point of his progress this theory had influenced him, is a matter of speculation purely. Of this, however, would society be benefited by it? I think we of the present age should be well assured before allowing this theory to modify or change our institutions. It seems to me that its general adoption would dissolve all the bands of common custom, would unloose all the time-honored ties of social relations, would destroy the growth of centuries, would substitute anarchy for order, would make it impossible for one man to exist where ten now find subsistence, and would send those that remained of the race back to live in caves and to contest with animals for the fruits of the earth.

## EMANCIPATION OF LABORERS.

It may be that some readers will construe the emancipation of laborers as the recognition of the laborer's title to the product of his labor. But this is not warranted. The emancipation of laborers was brought about by the same causes which produced individual ownership of land. The general advantage of society was served, at the periods in which the several modifications of law and custom were developed. Society became more prosperous with the growth of individual right to property, and still further increased in prosperity when it was conceded that manhood meant the responsibility of freemen. But it is not by any means the same thing to say, that man is free to choose how he will spend his time and his energies, and to say, that he has a clear title to the products of his labor. He may control his own powers, but he cannot control their effects.

## LABOR CREATES NO TITLE.

If his labor is expended upon his own property, he owns the product, but if on the property of another, he has no title to the product. The title to the product invariably follows the title to the material. This is the rule everywhere. Let us suppose this rule reversed and the title to the product vested in the laborer rather than in the owner of the raw material. The dullest imagination can see that a state of affairs, such as never has existed, would make its appearance. Society would unravel like a web whose chief thread had been cut.

The laborer may sell his labor, but if he puts it forth without a previously made or implied contract,

it is no longer salable. He may bargain to sell his labor while it remains in his control, as he may any other commodity. In the early state of society he could not do this. His labor was then due to the family or community of which he was a member, and his family or community accorded to him a share in its fortune. When society realized that the general fortune would be much improved if men were left to shift for themselves, the laborers were emancipated. The emancipated laborer acquired the right to dispose of his own labor, but he, at the same time, assumed the risk of his own support. This new condition is undoubtedly highly beneficial to general society.

#### COMPETITION AND INEQUALITY.

Stimulated to exertion by the necessity of providing his own support, and by the promise of greater comfort and enjoyment if he excels others, man has become violently competitive. There was little or no competition between individuals in patriarchal society. It is individual competition which has changed all the condition of life, and transformed the face of the habitable globe. It is this which furnishes food in abundance for ten times the number of human beings which the patriarchal age could have supported.

Now and then, there may possibly be found a person, who would be glad to exchange his individual freedom in the nineteenth century, for a place in the tents of Abraham or in the caves of the Cyclops. There is nothing to be said in argument with such persons. Man cannot choose his birthplace or his birthright. It only remains for him to make the



best of the fortune which falls to him. If there is anywhere at the present time any man so friendless and poverty stricken and unfortunate, that having the ability he can find no opportunity to earn his bread, it is truly pitiful. But it is a case for pity, not for wrath against the institutions of society.

Inequality in the conditions of men has not been removed by the development of individual liberty. It has been rearranged, on what we are bound to believe a juster basis. The inequality in social conditions is possibly greater to-day than in the most brutal days of slavery and serfdom. But to say this is not to condemn society.

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## Right of Property by Natural Law.

### HENRY GEORGE'S APPEAL TO NATURE.

The appeal to nature is the favorite recourse of modern advocates of the right of the laborer to the product of his labor. I can produce many instances of this appeal, but I will content myself with two or three quotations from Henry George's book, "Progress and Poverty."

"Thus there is to everything produced by human exertion a clear and indisputable title to exclusive possession and enjoyment which is perfectly consistent with justice, as it descends from the original producer in whom it is vested by *natural* law."

"Hence as *nature* gives only to labor, the exertion of labor in production is the only title to exclusive possession."

“It is a strange and *unnatural* thing that men who wish to labor in order to satisfy their wants cannot find the opportunity.”

There are many more, but these are sufficient to show the character of the appeal.

#### WHAT IS MEANT BY NATURE.

I do not know exactly what is Mr. George's conception of nature and natural law, but it is evidently a work of the imagination, and not at all founded on fact. The philosophers of the last century amused themselves and their sentimental admirers by describing man in a state of nature. By this they meant a sort of idyllic paradise, where imaginary beings, endowed with imaginary attributes, conducted themselves according to an imaginary set of rules, which they were pleased to call perfect justice or natural law. If Mr. George refers to these well known fairy tales, his reference is intelligible and consistent, but it hardly furnishes a serious foundation for an argument.

But if Mr. George means by nature “the veritable system of things of which we ourselves are a part,” or by natural law, that unchanging law by which all things exist, and in accordance with which we live and move and have our being, he is speaking without sufficient consideration. The law of gravitation and the law of the impenetrability of matter are natural laws. Mr. George is surely very hasty, if he means that the title to property is vested in the original producer by a law of this kind. Natural laws are invariable. There are no exceptions to their operations. But there is no evidence that it

has ever been recognized that any title to the product was created by labor. That can hardly be a natural law to which all human action furnishes a continual exception. As there is no title by labor known in fact, it is obvious that if nature means the system of things as they are, nature has ordained no such title.

There is another sense in which the word nature is often used. In this sense it is contrasted with art, and is applied to that condition of things, which the art of man has not modified or changed. In this sense nature can hardly grant any title to the laborer, for as soon as man has exerted his efforts upon a natural object, it ceases to be in the domain of nature.

#### MILL ON NATURE.

Mr. J. S. Mill regretted that Plato had not left to posterity a Socratic dialogue "On Nature," so that the precise definitions of this term might have been handed down through the centuries, and much confusion of thought, probably, thereby prevented. To meet this long felt want, Mr. Mill gave us his chapter on "Nature," as an introduction to his "Essays on Religion." The careful perusal of this chapter would, I think, effectually deter his followers from claiming that the laborer has acquired any title from nature to the product of his labor. Mr. Mill recognizes as the only proper uses of the word those which I have given above. First, nature as including man and all things as they are, and second, nature as including all those things which the art of man has not modified or changed. In the first sense it is absurd to say that anything is according to nature

which is not an invariable fact. It is then only in the second sense that it can be claimed that nature gives to the laborer a title to the product of his labor.

DOES NATURE GIVE ANY TITLE TO PROPERTY ?

But it is contrary to experience and observation, that such title is conferred by nature. To determine what nature does we must observe man uninfluenced by art. But the only men in a state of nature, of whom we have any knowledge, are savages. If nature gives to the laborer the product of his labor, we should find a natural instinct to this effect in the breast of the most untutored savage. I am ready to admit, that my opportunities for observing untutored savages have been few, but I think that the eminent political economists and socialists have not been more favored in this respect. I have not found in the writings of any of them any attempt to cite examples of this instinct in savages. On the contrary, I have read many descriptions of the habits of savages, by well-known travelers, and I have never yet found any suggestion that any savage, even the very lowest, had a sense of acquiring right to property by the labor of production. Among savages the ownership of property seems to be determined solely by the ability to retain control of it. The natural instinct of man is to possess himself if he can of those things which will satisfy his wants. Of this there is abundant proof. The untutored savage takes whatever he sees, that he wants, if some stronger power than his does not prevent him, and never thinks whose labor has produced it.

Does any man doubt this? Can there be any other conclusion reached by calmly considering this question? What possible justification then is there for the appeals to nature which are so liberally uttered by Mr. George and his followers? Where can the slightest evidence be found that nature has vested the title to any property in the laborer who produced it?

THE APPEAL TO NATURE A BEGGING OF THE QUESTION.

Perhaps it is well, in order to account for the many confident appeals to nature which are made by Mr. George, as well as by abler men and more consistent reasoners, to refer once more to Mr. Mill's essay. He there describes a use of the word nature, which is a survival of those superstitious times, in which all the attempts of men to interfere with the action of natural forces were regarded as impious. There are probably some ignorant persons, even now, who look upon lightning rods and preventives of disease as irreverent challenges of the wisdom of Providence. By a confusion of ideas, with such persons, nature comes to mean the designs of Providence, and also such an ordering of the affairs of this world, as they think ought to be. The appeal to nature thus becomes merely an assertion of their own opinions; those actions which they approve being according to nature, and those which they disapprove unnatural. This is a common use of the word, and will be found frequently in the speech and writings of men whose ideas are vague, but who wish to express themselves emphatically. The appeal to nature, to establish the title of the

laborer to the product of his labor, thus resolves itself into a mere begging of the question. The socialist in effect says, such a title ought to be because it ought to be. This is the whole of his argument from nature.

#### NATURE DOES NOT FAVOR THE LABORER.

It is according to our observation of nature, that mothers love and protect their offspring, and we are correct in saying that she is an unnatural mother who neglects or destroys her child. But it is not according to our observation and experience, that opportunities are uniformly provided by any natural agency for men to satisfy their wants by labor. Nature produces with entire disregard to the wants of man; she takes no pains to satisfy his wants. She is careless whether he is starved or surfeited or poisoned by that which she produces. The opportunities which he enjoys to satisfy his wants by labor must be and always have been contrived by his own intelligence. If his intelligence can not contrive the opportunity, nature lets him perish. It is not according to experience that nature loves and protects the laborer. She is deaf to his desires and blind to his efforts. She destroys the product of industry and the most industrious laborer also, and has no remorse.

#### RIGHT TO PROPERTY IN ONE SENSE UNNATURAL.

In one sense nature is the rich but blind enemy of man. All that he possesses he seizes from her, and he is always in danger from her heedless blows. Through the knowledge of nature, acquired with infinite ingenuity and handed down and augmented

from generation to generation, men have constructed an elaborate structure of art. It is art which enables man to elude the destructive strokes of the sightless giant nature, and it is art which teaches him to snatch her products and adapt them to his ever developing wants. Art is the work of man. It is unnatural, for it is in one sense opposed to nature. It is artificial. But it is not unnatural in the same sense as is a mother's cruelty to her child. The right of property is unnatural in this sense alone, because it is artificial. It is a part of that slowly developed system of art, by which man has grasped the products and powers of nature and caused them to satisfy his wants.

#### NATURE RECOGNIZES NO TITLE TO PROPERTY.

Nature seems totally oblivious that man has any title whatever to property. She takes possessions from one and destroys them, or confers them upon others, without rule or reason. In a state of nature there is no property right, unless the control which the wild beast exercises over his lair and his prey may be dignified by that name. The whole idea of title to property, it seems to me, is the creation of art. We can not peer back into the primeval gloom to detect its earliest suggestion. But look where we may, we find no recognition of it in nature.

It is probable, therefore, that man invented property right as he invented the so-called division of labor, to enable him the better to contend with nature. And when he found that the idea of right of property encouraged production, and helped to satisfy more of his wants, he defined it more clearly and gave it greater respect. And this, I think, may

describe the whole process. It has not been one uninterrupted series of improvements. Not every change has been beneficial. But the whole development has been greatly for the advantage of society, and he is little better than a madman, who would destroy the growth of centuries because he is not satisfied.

Through the whole development of the right of property, it does not appear, as I have already endeavored to show, that the title of the laborer to the product of his labor has been thought worthy of practical consideration. It is entirely opposed to the whole spirit of this development, and it cannot be adopted now without subverting and destroying the artificial fabric of civilization.

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### Christianity and the Right of Property.

Deprived of the appeal to history, to custom or to nature, it may be that the socialists will turn to religion for a justification of the laborer's title to the product of his labor. I do not think that socialists have at any time been remarkable for religious professions or practices. On the contrary, I think that socialism is commonly associated with the most sacrilegious opinions. But there are some who, like Henry George, are not too conscientious to quote a mangled verse of scripture, now and then, if it seems to them that they can thereby make a point. And there are multitudes of well-meaning people, who have a decent respect for the words of the Bible, who are influenced thereby. There are, moreover, a great many teachers and preachers of Christianity, who



reason loosely, and whose sympathies being with the poor, are ready to take the view of society which seems popular, and encourage the belief that somehow the laborers have been unjustly deprived by the rich of the products of their labors. I do not say, that the doctrine, that the title to the product of labor ought to vest in the laborer, is definitely taught from Christian pulpits. I do not think, that Christian ministers often reason sufficiently closely on such matters, to arrive at such precise conclusions. But I have heard many expressions from such sources which tend in that direction, and which show that current discussion is shaping the minds of religious people to accept this belief.

#### OLD TESTAMENT TEACHING.

It seems to me, however, that this doctrine is as opposed to the spirit of Christianity as it is to existing law and order. The teaching of the Old Testament is that all property is the gift of God, and the man who serves God is encouraged to expect prosperity. Loss of property is represented to be a trial of man's faith, as in the case of Job, and his steadfast faith in God is rewarded by a restoration of his property greatly increased. When the children of Israel sinned against Jehovah, they were punished by loss of property and other calamities. When they obeyed the commands of Jehovah, the property of their enemies was given to them. Nowhere in the Bible is there any suggestion, that man acquires by labor a just title to the product of his labor; such a suggestion would be not only foreign to, but destructive of the teaching of the Bible. "The Lord gave, and the Lord hath taken away; blessed be the name

of the Lord." This seems to be the epitome of the doctrine of the Bible concerning property.

#### CHRIST'S TEACHINGS.

The New Testament and Christianity built upon this foundation but did not change it. The spirit of Christ's life and teaching was self-renunciation, not self-assertion. There is something better worth working for than the accumulation of property. He said, "Labor not for the meat which perisheth, but for that meat which endureth unto everlasting life, which the son of man shall give unto you." He taught, that under certain circumstances it was the duty of a rich man to sell all that he had and distribute to the poor; but this sacrifice was to be made for the rich man's own benefit. He was thereby to acquire "treasure in Heaven." The poor were not taught by him to demand gifts from the rich. Such demands would be hostile to his teachings.

#### CONDITION OF SOCIETY IN JUDEA.

In the time of Jesus Christ the political and economic affairs of men were in a deplorable condition. They were in much worse condition than similar affairs at the present time. I suppose the most hardened socialist will not deny this. There was little protection for life or property, and fraud and dishonor and nameless crimes were too common to be noticed. This was especially true of Herod's Kingdom, and of the provinces into which it was divided. There was hardly any social order. Government was only the forcible execution of military commands, and bloody faction-fights rendered it continually uncertain who were the government.

A very considerable portion of the men of Palestine were openly robbers, and the multitude of publicans or tax-farmers were little better. There was no such thing as justice. The rights of men, if any one had thought of them, would have seemed utterly absurd. The Romans were the masters of the world, and the favorites of the Roman Emperor went everywhere, seizing whatever pleased them, punishing all resistance to their pleasures with scourging and torture and cruel deaths, and spending their plunder in brutal, vicious and lavish luxury.

#### CHRIST DID NOT TEACH MEN TO DEMAND RIGHTS.

Surely then, if ever, a divine revelation of the right of the laborer to the product of his labor would have been appropriate. Surely then, if ever, divine encouragement to rise and assert its rights was needed by down-trodden and demoralized humanity. But such was not the burden of the divine message. The Christ had nothing to say of the rights of man; he passed in silence the laborers who had no title to the products of their labors, he even advised peaceful submission to the foreign military tyrants who ruled his countrymen. He suffered himself without complaint the undeserved punishment of scourging, and bore without revolt or remonstrance, having broken no law and done no wrong, the most manifest injustice,—the ignominious death by crucifixion.

The divine message in that den of thieves, which the world then was, was not resistance to oppression, but, "Love your enemies, do good to them which hate you," etc. If we can imagine a country peopled solely by such men and women as now fill our prisons and occupy the attention of our police,

we would probably not conceive a state of affairs so bad as existed in Palestine about the year 30 A. D. To such a community the divine word was preached, "Unto him that smiteth thee on the one cheek, offer also the other." It was, indeed, light shining in darkness.

This, I think, is the spirit of Christ's teaching, and of true Christianity, at least so far as the question of the laborer's title to the product of his labor is concerned. If he were entitled to this product, the spirit of Christianity would prevent the assertion of such title.

#### EQUALITY NOT CHRISTIAN DOCTRINE.

I have been at a loss to discover how such ideas as the following are obtained from the teachings of Christ.

Dr. Geike, in his "Life of Christ," says the seminal principle of Christianity is "the realization of the truth that the whole human race are essentially equal in their faculties, nature and inalienable rights."

This is, I think, a fair example of similar expressions which occur often in the writings of eminent expounders of religion. I give it here, because it is the latest of such expressions which I have noted. It seems to me not only an error but an error which can only be explained by a confusion of ideas. Christ taught that each individual is the object of His Heavenly Father's love, and when any individual labors and is "heavy laden," he may find rest in his love. He taught that all men are children of the Heavenly Father. But I do not recall any expression which can be construed to mean that they are equal in any other respect. Saying that all men

are children of God does not imply other equality among them.

Indeed, I think the introduction of this claim of equality, as a fundamental doctrine of Christianity, is a grave mistake and not authorized by the words of the Bible. I think it is also a dangerous heresy, subversive of the real spirit of Christianity. Men are not equal in fact in their faculties. Men are all embraced in human nature. They are all parts of nature in general. It is a confusion of ideas to say they are equal in nature. It is a form of words which has no precise meaning. Whether men are equal in their inalienable rights depends upon the organization of the society in which they live. Men have no rights outside of society. To say then, as Dr. Geike does, that "the whole human race are essentially equal in their faculties, nature and inalienable rights," is the seminal principle of Christianity, is to say that Christianity is founded upon a proposition which is either untrue, vague or variable, as you regard it in each of its threefold divisions. It is moreover a proposition calculated to produce discontent in the minds of men, against society. This Christ never did. His teaching was directed to making the individual discontented with himself on account of his own sinfulness. This kind of discontent may be beneficial, for it may produce regeneration.

#### CHRISTIANITY AND EMANCIPATION.

The new view of religion which mankind gained from Christ was the special importance of the attitude of the individual toward God. Before His time the family, the tribe or the nation was sup-

posed responsible for the religious behavior of its members. Christ taught that God looks into the heart of man to judge him. From this new view sprang the increased importance of the individual in other relations of life, and, although its influence may not be directly traced in the development of individual right of property, it may nevertheless have been felt there. And this new view of each man's personal responsibility to God for his doings may have aided in working out the economic conclusion, that man is a more productive member of society if he is politically a freeman. The connection of the teachings of Christ with this modern belief is not close. It requires some pious blindness to overlook the Christian slave-makers and slaveholders of eighteen centuries, and to attribute to the spirit of Christianity the emancipations of the nineteenth century. Yet there is a connection. It may be that the advances of the individual in many directions are kindred developments of upward-reaching man, and that all are but parts of and stages in the whole harmonious growth.

#### CHRISTIANITY AND COMPETITION.

Competition is the result of emancipation. This Christianity encourages, as it teaches the responsibility of the individual; and it harmonizes with the modern ideas, that individual freedom of action and individual freedom in acquiring and controlling property, produce the noblest forms of personal and social life. The full recognition of individual responsibility involves the keenest competition.

But Christianity adds to its commandment, "Thou shalt love the Lord with all thy heart," by which is

inculcated man's individual responsibility to God, this second commandment which is like unto it in importance, "Thou shalt love thy neighbor as thyself." That is, if I may give these teachings a modern form, competition should be tempered with charity. "On these two commandments," Christ said, "hang all the law and the prophets." On the proper observance of these two principles at the present day seems to depend the maintenance and improvement of modern civilization.

It may be said that I have gone too far in tracing a connection between the Christian doctrine of the responsibility of the individual to God, and individual competition. As I have already said, the connection is not close. It is not at all necessary to my argument that it should be admitted at all. I have only introduced it here as a suggestion of the harmony which may be established between the Christian religion and the working of economic laws, and to hint how the best results of competition are obtained, when it is modified by charity.

I think this consideration may also suggest the fundamental antagonisms between Christianity and socialism. As far as I have been able to observe all socialists are anti-christian. I think this irreconcilable difference lies in the Christian teaching of the responsibility of the individual to God, and in the fact that Christian charity is essentially voluntary and not compulsory.

[The foregoing brief examination of the teachings of the Bible with reference to equality, competition and the right of property has met with varying and contradictory criticism from the religious press. While certain journals of this description have denounced it as fallacious and even sacrilegious, others of equal

weight and character have commended it highly, and have found in it the true spirit of Christianity. I believe, however, that the more these suggestions are considered the more will they meet the approval of thoughtful and sincere men. These views will warrant elaboration and restatement, for they seem to bear all the marks of good seed, and develop in the minds of readers in new forms, and produce quite a refreshing growth of biblical interpretation. I have room here for but one example of this gratifying result of this discussion. A student of the Bible has acknowledged to the author that before reading these pages the parable of the talents in Matt. xxv. and Luke xix. had always appeared inexplicable to him, but that now he sees in it an intelligible and useful lesson. A careful reading of this parable may be recommended to those preachers and editors who wish to find in the gospels authority for proclaiming the absolute equality of men. It would be interesting to see what exposition they would make from the following text—Luke xix., 24, 25 and 26 :

“And he said unto them that stood by, Take from him the pound and give it to him that hath ten pounds. (And they said unto him, Lord, he hath ten pounds.) For I say unto you, That unto every one which hath, shall be given; and from him that hath not, even that he hath shall be taken away from him.”]

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### Seeking Truth.

My argument would probably seem unsatisfactory to most readers if I should leave it at this point. I think I have shown conclusively, that value is not created by labor, and that although labor may have been expended in producing many of the articles to which we attach value, there is no traceable relation between the labor and the value, which can justify us in saying that the labor creates or determines the value. In proving this I have also shown that there is no warrant for the claim that all wealth is produced by labor. And I think I have also made it clear, that the assumption that the just title to the



product of all labor vests in the laborer, rests on no basis which is worthy of respect. If I have done this so successfully that any one reading what I have written with ordinary attention, is convinced, I have destroyed the foundations of socialism. This is what I hoped to do; but I am conscious that socialist notions and half-beliefs are so common, even among men who fear and abhor socialist practices, that the destruction of the groundwork of socialism must leave vacancies in many minds. I wish, if possible, to provide some sound doctrine to take the place of those erroneous beliefs, which I have tried to destroy.

#### THE DESIRE TO RELIEVE MISERY.

There is a great deal of misery in civilized communities, and human nature is so constituted that the knowledge of suffering causes pain, and begets an impatient desire to relieve misery and remove its cause. The first impulse which every one feels at the sight of suffering is that it has been caused by some human agency, and that some wrong has been committed. If a ship founders at sea, we hasten to accuse the owners or officers of criminal negligence. If a passenger train leaves the rails and a hundred lives are lost in its debris, we blindly rage against all the servants of the railroad company, from the brakemen to the ornamental directors.

The desire to punish some wrong-doer follows almost immediately in most minds the perception of misery. Human nature seems to demand a victim in whose person suffering shall be expiated. And this demand is often unreasoning and even passionate. Among savages it provides bloody human

sacrifices to gods. It once led men to burn innocent and harmless old women, as witches. Among more civilized men it develops itself in various phases, from the shooting of landlords in Ireland, to the execration of railroad kings in America.

#### THE ARGUMENT FROM MISERY.

It is this human disposition to find a wrong at the bottom of all suffering, which opens the minds of men to admit the labor-value fallacy. The lowest classes in all civilized communities suffer more or less. There are very many men, women and children, in the large cities of Europe and America, who frequently cannot obtain food, clothing and shelter, when they need them. These bear emaciated, frost-bitten bodies, the easy prey to diseases, and some of them sometimes die in circumstances of heart-rending wretchedness. The well-fed, comfortably housed man turns away from such sights, and would gladly be without the knowledge that such things exist, but somehow he cannot escape the feeling that such things ought to be prevented. And when the socialist agitator draws the startling contrast, between the condition of the starving fever-pinched wretch and the luxurious millionaire, living perhaps within a stone's throw of each other, we are apt to imagine that somehow the latter is accountable for the misery of his human brother.

#### THE APPEAL TO SYMPATHY.

Let the socialist tell of the hardships of the brakeman who in darkness and storm performs his perilous duty on the top of the rumbling freight train, and then let him picture the brave man crushed in a

great collision, and with his last breath expressing the fear that his wife and child will come to want. Let this story be continued, and show how the child dies from starvation, and the wife drowns herself to escape a worse fate, and then let the socialist describe the comfortable home and luxurious life of the president of the railroad, whose property has been benefited by the brakeman's labor. Let him then in eloquent and impassioned words assert that a great injustice has been done, that the brakeman and his family have been wronged, and that the railroad president has profited by the wrong, and that it is a vicious organization of society which permits the president to enjoy his wealth, while the brakeman and his family perish. Then the socialist may conclude triumphantly, and nine out of ten men will be led by their aroused sympathies to agree with him, that as all wealth is created by labor, justice can never be secured until all property is vested in the laborers.

It requires calm consideration to perceive that the unfortunates who exist everywhere, have no just complaint against society, and very likely have not suffered wrong from any one. But calm consideration cannot fail to bring unprejudiced minds to this conclusion. The fact of coming into the world gives no individual a right to food, clothes and shelter, but human love and sympathy give these as favors, almost always, while the individual is unable by reason of weakness or lack of skill to secure them for himself. But if the individual having sufficient strength and skill makes no effort to acquire those things which he needs, love and sympathy will probably cease to provide them.

## IMPOSSIBLE TO ANNIHILATE MISERY.

However much benevolently disposed people may wish that all men may be comfortably provided with food and clothes and shelter, it is impossible that this can ever be. These must always remain the rewards of well-directed exertions, and there must always be some who fail to make the exertions, or whose exertions are not well directed. There must always be, as there always have been, some to whom daily bread does not come day by day, and some of these unfed mortals must be overlooked by the most vigilant benevolence. But for the failures of the unfortunates, or for the oversights of benevolence, neither society nor its prosperous members are to be blamed.

## THE PROGRESS OF SOCIETY.

Society is a highly organized and complicated system, differing in its form and development in different places and for different peoples. The principles on which various forms of society are based, may at one time have been mere arbitrary rules. If so they have become crystalized into immemorial customs, and have been approved by the ages of progress toward the general advantage of the members of society. There have been steps in this progress. There have been at some times slow changes, at others rapid advances, at others retrograde movements, at others stagnant hesitation. But if the best state of man is that in which knowledge is most widely diffused, freedom of action most untrammelled, and the most diverse wants are most completely satisfied, the society of the present day, as represented in our own

country, and in some of the States of Europe, has reached the highest development ever known.

#### THE ARGUMENT FROM ENVY.

There are many persons of, I think, envious dispositions, to whom inequality in the condition of individuals seems a greater hardship than general deprivation. Such persons are disposed to lament the changes which have been made in the last hundred years. They say that industrial and commercial activity has made the rich, richer, and the poor, poorer; that political enfranchisement of the workmen has not checked this growing inequality. One hundred years ago employers and employed worked together, and were on terms of friendly intercourse. To-day, the employer knows no more of his workmen than their ability to complete their tasks. He would as soon make companions of his machines as of those to whom he pays wages. This may be true in a degree. It is undoubtedly the tendency of the organization of industry to draw master and men apart. The most successful manufacturer, or merchant, is he who carries on his business on a large scale, pushing the division of labor to the limit of economy. The manager of such a business is likely to regard his laborers as parts of a great machine, and to have little feeling of companionship with them. If this is an evil, it is one which is made necessary by active competition. The most successful manager is likely to have this characteristic most highly developed.

But is this anything more than an imaginary evil? Can no amount of increase in the comfort of his life compensate the workman for losing the society of

his boss? If the master has gradually drawn away from intercourse with his men, the men have gradually gained in the increased purchasing power of their wages. Of this there is no doubt. Workmen now wear better clothes, eat better food, and enjoy luxuries which one hundred years ago were not within the reach of the most opulent. What matter if the social scale has been lengthened? Should it not satisfy the critic of progress, if all have been raised to higher planes of consumption?

#### IS MULTIPLICATION OF LIFE A BLESSING?

But there is another consideration, which I do not remember to have seen noticed, and which seems to me of vast importance. About seventy years ago, Malthus predicted great evils for England, when the products of its soil would no longer feed its population. But the population of England has increased far past that point, and the general prosperity of the country is said to be greater than ever. The support of this increased population has been furnished by the organization of industry and commerce, effected by competition. This, as a factor in the food problem, Malthus did not take account of. But it has changed all the conditions of life of the people of England. The English workman of to-day has very different surroundings from those of his predecessor in the time of Malthus. He may not now have so much country to roam in. He may not be able to keep a cow or have a patch of ground in which to grow a few roots. But he is equally well fed, well housed and well clothed, and moreover there are twice as many of him. This is the point which generally escapes remark. The whole case is not by any means

presented, when the individual of to-day is compared with the individual of fifty or one hundred years ago. There are twice as many human beings living comfortably in England to-day as were there when Malthus thought that population was already pressing upon the limits of subsistence. Is this an evil or a good? We would call it a great calamity if war, pestilence or famine should destroy every other inhabitant of a country. Ought not then that be reckoned a great blessing which doubles population, and sustains the increase as well as the smaller population was previously maintained? Competition has done this. The stimulus to individual exertion afforded by laws which protect each man in the enjoyment of property acquired in conformity to law, by laws which enforce contracts and give to mental exertion a greater advantage than it ever before enjoyed over physical labor, has enabled millions to keep soul and body together, and to feel more or less of the joy of existence, who never would have visited these glimpses of the moon at all if the "good old times" had continued.

#### SOCIALISM INVOLVES EXTERMINATION OF MILLIONS.

Do those reformers who look regretfully into the past, and assert that the life of the English laborer, as pictured by Defoe, is preferable to the life of the English workman of the present, ever reckon the multiplication of human life a blessing? Speaking in the interest of the poorer classes, as they professedly do, do they realize what a return to the habits and mode of living of the time of Defoe would involve? It would involve the crushing out of the lives of millions. Every turn of the wheel

backward toward those conditions under which the workmen and their employers lived and worked together would exterminate millions. The most wretched, the lowest in the scale of self-support, those whom the socialists profess to be most anxious to benefit, would go first. But before the imagined comfort of the laborer of Defoe could be restored,—the common cow pasture and the vegetable patch,—vast masses of population to whom the competitive system furnishes easily, food and raiment, would find the means of existence cut off and would perish miserably.

#### IMPROVED CONDITION OF LABORERS.

“The bitter cry of outcast London,” of which we have heard something lately, is not less bitter because it is not peculiar to our time. The wailing of the suffering has gone up from the comfortless dens of all large cities since men devised metropolitan life. It is the desire of every man of human impulses to mitigate, or if possible relieve wholly this misery. But every right-minded man can see that this can never be wholly accomplished. If any one compares the condition of the abject poor of London, as described in recent newspaper articles, with the condition of English laborers during and previous to the last century, as described by Fielding, Defoe, Macaulay and others, he cannot avoid the conclusion that the very outcasts are now better provided for than were once the common workingmen. There is a certain advance from the chimney-less, window-less hut, whose floor was the bare ground covered with rushes and accumulated filth, to even the worst single-room tenement of the present London slums.



And even the repulsive bed and bedstead in the vilest furnished lodgings of this day are better than the dirty straw and the wooden pillow, which were once the best couch that English laborers hoped for. This comparison should not cause us to pity less the wretched outcasts of to-day, but it should prevent us from rising in rage and cursing the organization of society:

SOCIAL DEVELOPMENT CANNOT ANNIHILATE  
POVERTY.

Whatever has been done to raise the conditions of human life has been done by society. That wretchedness and poverty remain, perhaps as keenly felt as ever, is due to an ineradicable characteristic of human nature. The art of man, working in the form of social organization, may multiply comforts, may make it possible for two human beings to obtain subsistence where one could with difficulty secure it before, but it cannot abolish poverty or annihilate wretchedness. Poverty and wretchedness are relative facts. They imply contrasting affluence and contentment, and while individuals are created under differing conditions and are endowed with differing faculties, this contrast must exist. What would have been affluence several centuries ago is accounted poverty to-day.

The Malay enjoys a bodily comfort, beside which the frozen existence of the Esquimaux seems poverty, but, as neither knows of the life of the other, the one feels no self-satisfaction, the other no envy. But the life of a large city brings these opposite conditions in juxtaposition. Art produces for the rich the equable temperature, the delicate fruits, the

delight of flowers and tropical foliage, which the Malay enjoys, side by side with dark, cold and cheerless dens in which the poor greedily appease the the cravings of hunger with food as nauseous as that of the Esquimaux. This contrast serves to exhibit the reality of affluence and poverty. It develops exultation and pride on the one hand, the grinding torments of envy on the other.

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### The Value-Perceiving Faculty.

There is opportunity for a very long and comprehensive essay on the causes which produce inequalities in the material circumstances of individual lives. The tendency of historical research at the present time is to find out and identify these causes. The efforts to learn the thoughts, habits and conditions of people, and by these to explain developments of national traits and events in national progress are the manifestations of this tendency. I have not the time or space here, nor indeed have I the learning or ability to go into this subject at length, nor does my present subject demand it. But it seems to me that a voluminous collection of historical data might be made to show that the wealth-accumulating faculty has been developed in individuals and nations by a sort of natural selection. The differentiation of civilization has, as the naturalists would say, specialized the perception of value. Man as far as we know in his savage state had little or no perception of value. When men began to trade they began to recognize value in exchange. An infant has no perception of this value. Savages and infants desire

and attempt to possess themselves of whatever will satisfy their wants, but the complicated perception of what will satisfy the wants of others, and thus enable them by exchange more completely to satisfy their own far-off wants, is beyond their powers. In this respect some human beings, even in civilized communities, remain savages and infants all their lives. I think any of us can readily find, in our own neighborhoods, men and women in whom the perception of value is merely rudimentary. Such persons may be highly qualified in other ways, may in fact possess many amiable and admirable faculties, but lacking in this they are comparatively poorly equipped in the struggle for life under present conditions. In this commercial, competitive age it is necessary that the value-perceiving individuals should hold the chief social power, just as in ruder times those who possessed the fighting faculty dominated their fellowmen. The value-perceiving geniuses of our day do not depend for their authority upon the suffrages or the favor, but upon the needs of their fellowmen, just as the best soldiers once acquired command by mere force of circumstances. We are all familiar with the process by which excellence in the perception of value asserts itself. There are well known stories in every family, in every social circle, in every village, in every community of how this or that individual, perhaps with most unpromising beginning, gradually developed this faculty, surpassed his associates, organized industry, managed trade, attained wealth, and became a pillar of society on which his friends lean, and to which his neighbors look with respectful admiration. And equally common are the stories of failures and

descends from prosperity to misery, by reason of the lack of this faculty.

#### IMPORTANCE OF RECOGNIZING THIS FACULTY.

I do not wish to intimate that the value-perceiving faculty is the highest or most to be desired. I merely wish to suggest that in the present state of society, which I believe is the highest which man has ever attained, it is the faculty to which the greatest power attaches, and I think a very considerable benefit may accrue from a simple recognition of this fact. This removes at once all ground for the common feeling that the well-to-do members of society are accountable for the misfortunes and failures of the degenerating and incompetent. The rich, as a class, have no more just responsibility for the misery of the poor than have the whole and healthy for the pains and infirmities of cripples and imbeciles. The attitude of the rich to the poor should be one of pity, but there should be no shade of remorse. The attitude of the poor to the rich should be one inviting compassion, but not demanding compensation for wrongs inflicted. Of course I mean by this only the abject poor, actually suffering for the necessities of life.

#### CONTENTMENT WITHOUT THIS FACULTY.

I am prepared to maintain that a comparatively poor man may be, and should be, as happy and independent as any rich man, asking no favors and confining his wants strictly within his resources. If any one has not the value-perceiving faculty he cannot acquire, and unless fortunate in his friends, can not retain wealth, but he can lead a contented

and independent life by limiting his wants to his means. This is one of the most useful results of the recognition of this analysis of faculties. A great many beneficial members of society have not the value-perceiving faculty well developed. Artists, musicians, teachers, clergymen, skilled laborers and those who have no skill, can not be expected to possess this faculty in any considerable excellence. For all these a great point has been gained, if they realize the existence of the faculty and their own lack of it. They will then no more expect to be rich than to be phenomenally strong or extraordinarily beautiful.

#### LUCK AND GAMBLING.

There is a very common notion that the acquisition of wealth is a matter of luck, and very many simple minded people are seduced by this notion to attempt to win fortunes in various forms of gambling. But one may as well hope to add a cubit to his stature as to acquire permanent wealth in this way. It is notorious that the sudden acquisition of money or property by any one, not accustomed to its use and care, produces demoralization, and results in waste and ruin. It is as absolutely certain that the individual who has not possessed and cultivated the value-perceiving faculty, can not retain possession of a fortune, which may be thrown in his lap by chance, as it is that water poured out on a hill top will seek the water course in the valley. The great gains in all forms of gambling go ultimately to the value-knowing manipulators of the games, and those who are lacking in the value-perceiving faculty and are eager to try their luck,

furnish the wealth which the expert gamblers gather in. He is fortunate who correctly estimates his own value-perceiving ability and is wise enough not to contend with those who are better endowed or better equipped than he.

VALUE-SENSE NECESSARY FOR ACCUMULATION OF  
WEALTH.

It is in his intellect that man differs from the beasts, and it is in intellect that one man differs from another, making as wide a difference between the highest and lowest man as between the lowest man and the highest beast. The value-perceiving faculty is highly developed in the highest intellect. He who has this faculty will accumulate wealth by comparatively slight exertion, while he who has it not will not gain wealth, no matter how energetically he labors. Races and families differ widely in respect to this faculty, but it is generally true, perhaps by natural selection, that the races and families highest in general development and in prosperity, exhibit this faculty most largely. Other things being equal, he who has the keenest appreciation of art will paint best and will enjoy the best painting; he who has the most delicate musical sense will secure the most perfect musical instrument and will perform most satisfactorily thereon. So he who is the best judge of value will make the best bargains, and will most rapidly accumulate wealth.

VALUE-SENSE OF THE JEWS.

Mr. Matthew Arnold in "Literature and Dogma" elaborated a theory, that the Jews, the children of Israel, were "the people who had the sense of

righteousness most glowing and strongest," just as the Greeks had the sense of art, and the Romans the military spirit in greatest perfection. A similar theory might, I think, be worked out and illustrated by plentiful historical examples, to the effect that the sense of value has characterized the Jews even more particularly and persistently than the sense of righteousness. I think it can be shown to be reasonable that this sense of value, possessed by the Jews in an unusual degree, has kept the race for centuries separate from others and distinct among other peoples. Without the military sense or spirit, with no country which they could call home, they have been distinguished from other men by their keen perception of value, and by this trait have preserved their lineage and their identity through centuries of change and decay in other races. That the Jews have fairly inherited this faculty no one can doubt, who reads the story of Jacob. They are true children of that Israel, who drove the sharp bargain for the birthright with the value-dull Esau, and placed the ring-streaked rods by the water-troughs of Laban's heifers.

#### SOCIALISM IGNORES THE VALUE-SENSE.

The best development of the value-appreciating faculty has passed beyond the mere bargain-driving stage, and the greatest commercial successes are achieved by the organization of industry and the systemization of methods. The true commercial spirit of modern times asks only a fair field and no favors, seeks only trade which benefits both buyer and seller, increases wealth by ingenious devices, by more economic transportation, by the use of banks

and clearing-houses and boards of trade or exchange. It has contrived that the earth, or that portion of the earth to which its influence extends, sustains a hundred million more of human beings than the same countries could furnish food for fifty years ago. And all this, which the commercial spirit has accomplished, it alone can sustain. If the intelligent energy of this spirit is checked, if the well-devised system of its operation is disordered, the abundance of its results, on which so much depends, will decrease. Each degree of this decrease will bring straitened circumstances to millions, hard times, difficulty in obtaining food, and in some cases absolute inability to sustain life. Surely such a prospect should warn us to oppose no discouragement to the commercial spirit. Yet this is exactly what socialism demands of us. In their blindness and folly the socialists would take the management of property from the hands in which the present organization of society has placed it, would have a redistribution of property, so that those who have had no experience in its management, would hereafter manage it. They would reconstruct the laws, so that those who possess the value-sense, the wealth-accumulating faculty would no longer be able to enjoy any special reward for the exercise of their talent. They stupidly imagine, no doubt, that civilization will somehow continue to exist when the motive power has been destroyed. They fancy that somehow the hands which have been taught to labor, will continue laboring when the brains, which taught and directed them, are dead or torpid. But any such expectation is the most fatuous imbecility.



## The Improvement of Society.

While I maintain that all the demands of the socialists are unwarranted, and that the least yielding to any of them will cause social damage, I am far from claiming that the social organization is now perfect. It is a wonderful development as it now exists, but I doubt not, that it is capable of greater development and improvement. But its healthy and beneficial growth can only be in accordance with the principles which have brought it thus far. I do not doubt that by wise measures and the diffusion of correct ideas of life, the comfort and happiness of all classes of men may be greatly improved.

### IMPROVEMENT NOT TOWARD SOCIALISM.

The improvement in the condition of those who labor with their hands, it seems to me, is not to be brought about by the demands of labor societies, when such demands are based on the theory that labor creates value. (I believe that it is highly proper, and shows the possession of the value-perceiving faculty, for laborers to unite in trade-unions for the purpose of securing the highest market price for their labor,—the commodity which they have to sell.) But the real hope of improving the laborer's condition is in the diffusion of the gentle spirit among all classes. This might be called culture, if that word had not acquired a certain priggish significance. It is not by loudly claiming what he supposes are his natural rights, that the laborer is to be benefited, but by lending a hand in sustaining and advancing civilization as he finds it. He must be

the friend and not the enemy of society, if he would enjoy life. What matter if he finds himself somewhat low in the social scale? If he rightly estimates his faculties and does his best to make them useful, there is a fair share of contentment for him. If instead of ruminating on the unaccountable circumstances which have given to certain of his fellow-men greater advantages and greater powers than he possesses, he endeavors to cultivate among those with whom he comes in contact, mutual respect and the recognition of the worth of individual character, he will be far happier. The substitution of efforts to deserve well, for efforts to secure all possible rights is an indication of the gentle spirit.

#### SELFISHNESS WELL CONTROLLED.

In a state of nature, selfishness is uncontrolled. It is neither desirable nor possible to eliminate selfishness from man. It is an essential part of him. But the best results of civilization are gained by stimulating individual exertions by proper rewards, and modifying selfishness by proper self-restraints. Without selfishness man would have no force. But the selfishness of a well-trained man is to natural selfishness, as the appetite of a polite dinner-guest is to the hunger of a wild beast. The one satisfies its cravings decently and in order, with due regard to the similar cravings of others, but the beast rends and devours and gorges himself, oblivious of all but his own satisfaction. The civilized man, whether he be laborer or manager, value-sharp trader or value-dull star-gazer, should not be devoid of selfishness, but should hold it like his passions in firm control.

He should do this for higher reasons than mere selfish wisdom suggests; yet pure selfishness, if it be intelligent, must approve this self-restraint, for by reason of it, when generally exercised, each individual secures most prolonged and fullest enjoyment.

#### SOCIALISTS APPEAL TO PASSIONS.

The pictures which socialist agitators draw of the lives of rich men, in order to induce laborers to cast aside all self-restraint and give their selfishness full rein, are commonly grossly untrue. But even if they were true, the argument based upon them is a gross fallacy. Suppose that rich men pass their lives in vicious excesses, what possible good can the laborer derive by meditating on this state of affairs, or by imitating it to the best of his ability? The intent of this fallacy is to lodge in the minds of the laborers the notion, that the wealth which they have somehow created is being spent in riotous living, and that the laborers ought to participate in this sort of enjoyment, which is supposed to attend this use of riches. The cunning of the fallacy lies in first inflaming the passions, or at least the prejudices of laboring men, by vicious descriptions, and then teaching them that these wasteful excesses are indulged at their expense. No reasoning could be more unsound. It is true that the conduct of every member of society is a matter of interest to every other member. But this is a rule which applies to rich and poor alike. The rich man is as greatly injured by the poor man's debauchery, as is the poor man by the rich man's vice. The question of personal conduct is entirely removed from the question of property.

But the socialist agitators carry their attempts to arouse prejudice in the minds of working men to a still more vicious extreme, and represent in certain cases the mere possession and enjoyment of riches as a wrong.

#### UNFAIR ABUSE OF RICH MEN.

The name of Vanderbilt is so commonly used as a synonym of great wealth, and the persecution and abuse heaped upon Mr. Wm. H. Vanderbilt and his family, by certain newspapers and would-be labor reformers, are so well-known and so unrelenting, that I may be excused in using this name in an illustration.\* It is not charged that Mr. Vanderbilt's wealth has been acquired in an unlawful way, or that it is employed by him for unlawful purposes. It is not charged that he has robbed any man, or that any man is the poorer to-day by reason of his possessing millions. As far as is known, Mr. Vanderbilt and his family are respectable people, affectionate in their family relation and reasonably courteous in their intercourse with friends and strangers. They have done nothing to attract public attention to themselves. They have not been overbearing or ostentatious, and have set no example of vicious or corrupt luxury. But it is known that Mr. Vanderbilt owns a large amount of stock in several important railroad companies, which probably afford him a larger income, than any other man in this country

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\*I wish to make it plain that I have used this name only by way of illustrating my point clearly and with no intention of appearing as the champion of any individual. For Mr. Vanderbilt's name may be substituted any other law-abiding citizen who possesses and manages property acquired in the development of American enterprises.

enjoys. On this account alone he is made to appear in a peculiar and unenviable light to a large part of the people of this country. His face is freely caricatured in all the comic papers. Almost every week he is depicted leading a typical workman in chains, or is represented as a fierce dragon devouring helpless laborers with their wives and children. Newspaper correspondents vie with each other, in inventing unfavorable gossip about him and his surroundings, and leading articles daily denounce him without stint. In fact so far is this misrepresentation—this outrage upon private life and character—carried, that I think a considerable part of the American public conceive of him as a sort of resurrected Nero or Caligula—a modern tyrant, gross and remorseless, levying cruel and unjust assessments upon the poverty-stricken people who travel on his railroads, smiling at the tears and groans of his victims, and muttering, as he figures up his dividends, “the public be damned.”

The fact is, Mr. Vanderbilt is receiving a proportionately small, and a well earned part of the profits of the greatest economical device of modern times. Mr. Vanderbilt's father possessed extraordinary ability. He had the value-sense largely developed, and with it great energy and persistence. He organized and perfected a great system of cheap transportation, which has brought immense wealth and prosperity to the people of this country. The results of the combinations which his genius effected are an unprecedented increase in the means of subsistence, an unparalleled multiplication of population. It is very likely that some of the reckless agitators, who are to-day denouncing the Vanderbilt family, owe

the bread they eat to Commodore Vanderbilt's commercial genius. It may be said, that some one else would have consolidated the New York Central and Hudson River railroads, and extended its connections in the West, if Commodore Vanderbilt had not done so. This may or may not be probable. No one can tell. But if so, some other man's children would be enjoying to-day the Vanderbilt income. He who renders a great service to society is worthy of a great reward. Mr. W. H. Vanderbilt is to-day receiving his just dues, under the contract which civilized society holds with all its members. This contract is the very corner-stone of all civilization. To injure or destroy it is to turn mankind about and start the race on the downward road to barbarism. Even to question its importance argues ignorance and degeneracy.

THE VANDERBILT ESTATE AN EVIDENCE OF THE  
SUCCESS OF REPUBLICAN GOVERNMENT.

Mr. Vanderbilt's large income is often spoken of as a monstrous injustice in a republic. This shows a singular confusion of ideas, and that there are some persons who imagine that a republican form of government is somehow to cause an equal distribution of mental and physical powers to all its citizens. This is not, and never can be, its function or object. The equal protection of every man in the exercise of his peculiar powers, is the object and glory of republican government. By this means each man is encouraged to use his powers to the best advantage, and the results which he may be able to attain are guaranteed to him and to his children, according to their ability to retain them. Mr.

Vanderbilt's large income should be regarded as an evidence of the grand opportunities afforded under well regulated popular governments. It should be an incentive to every citizen to be diligent in devising economic benefits for the public, that he and his children also may be rich and prosperous.

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### The Rights of the Masses.

While I am writing this a cable dispatch comes to the effect that Mr. Henry George has been received on arrival at the railroad station, in London, by fifteen hundred persons, representing the Land Reform Union, and that he has made a speech. The telegraph represents him as saying:

“Power must always be with the masses. Do not ask for patronage or charity, but demand justice—your own rights, and the rights of those below you. In this way we shall conquer.”

There is a great deal of very dangerous error in these few words, but the fifteen hundred people whom Mr. George addressed are probably doing their best to believe these errors, to propagate them and to act on them. And in this fact lies the necessity of exposing these errors and refuting them, lest great social damage be done,—lest multitudes suffer useless misery.

#### POWER OF THE MASSES.

The power which the masses possess is mere physical force. Without intelligent guidance it is no more than the power of so many beasts. And whether this power is to be exerted benevolently or

malevolently depends on the wisdom with which it is directed. It must be manifest to every man, that this power misguided will do immense harm. If, then, the masses are led to believe that they suffer injustice, when no injustice is done them, or that they are denied some rights, when in fact they are enjoying all their possible rights, it must be admitted that they are grossly misguided, and are in danger of doing great mischief. The question then is, are the masses deprived of any just rights? By the masses I suppose Mr. George means those persons who have little or no property, and are dependent on their daily earnings for their daily sustenance. To this question then the answer is plain. All men are equal before the law; all men have equal rights. This is true to its fullest extent in this country. It is true with but slight limitations in England. Those who compose the masses, and those who make up the remainder of society, have the same rights, and society guarantees and secures to each man, whether he be rich or poor, laborer or capitalist, the enjoyment of these rights. These rights are numerous and well defined. The right of personal liberty, and the right to acquire, possess and dispose of property, are perhaps the most important; and it is the last and most carefully guarded triumph of civilization, that no discrimination is made against any man in respect to his rights, on account of his learning, his belief, his wealth, or his position in the State. The laborer has now the same rights—no less and no more—that every other man possesses. Neither Mr. George nor any other man can truthfully deny this.



## THE COMPETITION OF IDLENESS.

What then does Mr. George mean, when he urges workingmen to demand their rights? He can mean nothing else but that the masses have rights, which others, who are not the masses, do not possess. If he means this, he is leading the masses to demand something more than their just rights. He is striving to direct the power, which is in the masses, to the upsetting of the benevolent development of society. He would have the masses destroy the organizations of industry and commerce, by removing the master minds who direct them. He would deprive mankind of all motive for exertion but the mere temporary desire for food and clothing. Any higher object, if attained, would lift an individual above the masses, and would work a deprivation of the supposed rights, which he exhorts the masses to demand. The spirit of Mr. George's harangue is to discourage all effort but that which is merely physical, and to substitute for the competition of intellect, a competition of idleness. Is this the proper intelligence to guide the power of the masses?

## GEORGE AND VANDERBILT COMPARED.

Mr. George has at various times indulged in a good deal of unpleasant rant about Mr. Wm. H. Vanderbilt and his so-called unearned wealth, but it has probably never occurred to him to make a comparative statement of the happiness and misery which he and the much-abused millionaire are causing in their day and generation. Mr. George very likely counts himself something of a philanthropist, yet a truthful statement of this kind might

surprise him. It is not necessary to give Mr. Vanderbilt credit for benevolent motives, or to take into account his active charities, if such there are. It is needful only to assume that he manages his large property on just business principles, and it is easy to see that he is constantly furnishing the means of living to a large number of men, and that he is instrumental in assisting a much larger number to acquire a portion of the comforts which they enjoy. But what have been the results of Mr. George's efforts? Has he ever conferred any material benefit on any considerable number of his fellow-men? Has he not rather rendered a great many men discontented? Is not the sum of human misery increased by the work which he has been engaged in? Are not the fifteen hundred workingmen of London worse members of society for the exhortations which he has addressed to them? If his words have been heeded, he has unquestionably rendered labor less cheerful and hence less efficient. Discontent among laborers causes slackening of exertion and waste in production. Can any one, who has given any attention to Mr. George's addresses to workingmen, doubt that they have retarded the wheels of industry in a thousand factories?

#### PATRONAGE AND CHARITY.

Mr. George says to the workingmen of London, "Do not ask for patronage or charity." There is a tone of manly independence in these words which is very deceptive. No man should ask for charity except as the last resort. A proper spirit will lead a man to practice all possible economy and self-denial rather than ask charity. In this self-denial

lies the manliness of not asking charity. But this is not the meaning of Mr. George. Self-denial and personal economy have no place in his teachings. He tells his followers not to ask patronage or charity. Now asking patronage is entirely different in character from asking charity. The only sense in which the word patronage is used in commercial affairs is as an equivalent for the favor of customers or employers, or favor in trade. It is necessary for success, in nearly if not quite all the modes by which men make their livings, that they should ask patronage. And he who is most apt at soliciting patronage is, other things being equal, likely to secure the best living. The banker, the merchant, the physician, the lawyer, and even the clergyman have well known ways of asking patronage. The railroad company and the manufacturer ask patronage most persistently and are not ashamed. Why should laborers be too proud in spirit to ask the patronage of employers? The tradesman does not think it unmanly or humiliating to ask people, who have the means, to buy his goods. It might be more according to his taste to put out no sign, to make no display of his wares, but to wait for purchasers to find him as best they could. A shopkeeper who scorned to ask patronage, however, would have to content himself with small profits in these days of active competition. Yet this is the line of conduct which Mr. George advises laborers to pursue. Having the commodity labor for sale, they should not ask for employment. They should stand proudly apart and wait until employers solicit them to labor. Is it anything unreasonable to say that the laborers, who follow Mr. George's advice, will be left behind

in the race by the patronage-asking laborers? The latter will find the best work and the best pay, and will enjoy prosperity, while Mr. George's misguided disciples, neglecting to ask patronage, but demanding more rights than other people, will remain floundering in poverty.

## THE LABOR-VALUE FALLACY IN POLITICS.

NOVEMBER, 1886.

Since the foregoing pages were first published, the scene of the socialist agitation has changed somewhat. It then more especially afflicted France, and it seemed probable that some success would attend the efforts of the socialists to seize and direct the government of that country. We of the United States, if we thought of it at all, looked on with much complacency at the prospect of these experiments across the water. We congratulated ourselves, doubtless, that this is a free country and that there is no occasion for socialist agitation here.

But we have been somewhat rudely enlightened on this point. The industrial depression in France sapped the life of the agitation. The agitators have sought richer fields. They have flocked to the United States, where the prosperity of the industrial classes gives them something to feed upon. A poverty-stricken community is no place for a socialist. He seeks a community that has accumulated a fine surplus, where he may be admitted to membership and secure a division of property.

Hence we are brought face to face with the question which two years ago we thought removed from us a generation or two at least. Events have followed each other in rapid succession. One great strike succeeded another, keeping the workingmen

in all the large centres of population in a state of discontent and uneasiness, until the bomb exploded in the Haymarket in Chicago. This great crime, which neither the Knights of Labor, nor Henry George, nor Master Workman Powderly, nor any other labor organization nor labor organization leader has yet designated as a crime, furnished matter for agitation for months.

### The Labor Party.

This agitation has increased in strength remarkably. It has tempted socialists of all the numerous varieties from Europe, and has involved hosts of men in this country who are yet hardly ready to acknowledge socialist sympathies. It has got into politics. It has got its adherents counted at an election. It has shown a voting strength in New York City of 68,000 votes, in Chicago of 18,000 to 20,000 votes, in Wisconsin of 22,000 votes (mostly in the city of Milwaukee). Whether its candidates were defeated or elected at the polls, the Labor Party has accepted the result with all the enthusiasm of victors. It has moved at once to consolidate and perfect its organization. Demagogues already, in talk and actions, prepare to join it as the rising power.

The Labor Party, born of the Haymarket murder, organized to save the necks of the criminals, brings the Labor-Value Fallacy into politics and forces the issue. No citizen of this country can longer with safety afford to treat this subject with indifference. It imperatively demands discussion. The safety of society demands that the intelligent discussion of

this subject should be placed before all classes of the people. There is danger that, deceived by this economic error, the people may be led to commit a stupendous blunder.

### The Labor Party Founded on the Labor-Value Fallacy.

There is hardly an official utterance of any of the numerous labor organizations, hardly a speech of any of the leaders of the labor movement, which does not contain this fallacy plainly stated as a text. Do the owners of property realize that a strong party is organized whose fundamental principle is that everything in the production of which labor has been exerted is wrongfully held if possessed by anyone whose physical labor has not been expended upon it, or upon some other commodity which has been exchanged for it? Do they realize that this party is animated by the belief that none but workmen can be rightfully owners of property?

The following are sample extracts from the addresses of representative labor organizations.

The Central Labor Union of New York City, in which it is said is concentrated the strength of 185 labor organizations, representing an aggregate of fully 100,000 "wage-workers," says in its declaration of principles:

"The soil is the social and common inheritance of the people, and hence all should have free and equal access to it without tribute to landlords."

"Labor produces all wealth, and the laborer is therefore entitled to a full share of the wealth he labors to produce," etc., etc.

The campaign committee of the United Labor Party in Chicago, before the recent election, issued an address to the Stock Yards workingmen, beginning as follows :

“The wealth invested in the stock yards and packing houses, and the millions of dollars possessed by Armour, Allerton and the rest, has all been taken from the workingmen whose labor created it.”

Robert G. Ingersoll.

Immediately after the late election, Mr. Robert G. Ingersoll prepared an interview of himself and caused it to be published simultaneously in several Chicago newspapers, in which he said :

“I think the foundations have been laid for a new party. I think the people who have done the work of the world begin to see that they have the power to control. They find, too, that the men who exist in poverty, create the very wealth with which the others live in luxury,” etc., etc.

Mr. Ingersoll doubtless had satisfactory reasons for publishing this spontaneous interview at this time. I am probably not far wrong in quoting him as an example of a considerable class of time-serving politicians who think they see in the Labor Party the rising tide, and hasten to get their endorsements of the Labor-Value Fallacy ready, in order that they may float successfully upon it.

I do not quote the whole of Mr. Ingersoll's confession of socialism. It is long and not clear. He will probably make a better statement of the socialist creed when he has had time to study the subject.



## Herr Liebknecht.

For a clear, definite and temperate statement of the belief of the Labor Party, however, I have found nothing better than the following. This is an extract from an address of William Liebknecht, a socialist member of the German *Reichstag*, imported apparently to agitate for the release of the condemned anarchists, although professing strong disapproval of anarchism. This address has been delivered to large and enthusiastic audiences in this country, and is doubtless as favorable a statement as can be made of the Labor-Value Fallacy :

“ All wealth is the product of labor. It is a logical sequence that wealth should belong to labor. But it is a fact that those who do not do productive work own the greater part of wealth. The socialist says this is owing to the wages system, to the spoliation of human labor. If the capitalist gave the laborer an equivalent for his labor, the capitalist would, at the end of the year, have no more than at the beginning. We read that the national wealth of all the nations grows by millions every year, but it remains in the hands of the capitalists. Here comes in the doctrine of Karl Marx of unpaid labor, which is practically admitted by all professors of political economy. On an average the laborer only earns as much as is sufficient to keep him alive. That is the iron law of wages. It is difficult for the workingman to tell just what he produces in a given time, and he is underpaid by the capitalist who makes money out of the labor for which he does not pay the laborer. If you want to solve the question peaceably, you should study the question. There is a surprising ignorance in political economy in the United States as well as in Europe, and the lesson of last Tuesday (election day) will teach the writers for the press to study the question and not attempt to brush it aside by answering arguments they never studied.”

### Common Belief in the Fallacy.

The remark about the ignorance in political economy in the United States is doubtless true, but it is doubtless equally true that political economy is more generally studied in this country than anywhere else in the world. It is not for lack of study

that we remain in ignorance. Nearly every one here believes that "all wealth is the product of labor." At least nearly every one you may ask the question of will say he believes it. But if you ask humbly and anxiously how this can be proved, you are told, "because it is," or "every one knows that." If you press for a little more light, you are triumphantly answered that all the well-known political economists, from Adam Smith to Henry George, say that all wealth is created by labor. If you still remain unconvinced, and point out that many things which are commonly counted as wealth—such as land, domestic animals, the products of the soil, etc.—are not created by labor, you are told that although these things may not be actually entirely created by labor, still the labor which has been expended upon them is the sole cause of their being wealth; in other words, the sole cause of their value in exchange. If you ask how this may be shown, you are again told that it may be easily seen, and that John Stuart Mill and others say it is so. But if you insist upon some practical demonstration, if you demand some real case in which it can be shown that the exchangeable value of anything has been created entirely by labor, you must meet a wiser political economist than I have been able to discover if you receive a convincing answer. You may press these questions on the many political economists you meet in your daily walks, in the workshops or in the banks, behind editors' desks or behind shop-counters, on your minister or on your boy's school teacher; you will find that all will take you over the same course. They will give you plenty of authority, plenty of assertion, but they will all fail to show you

a single real instance in which labor expended in producing anything bears any ascertainable relation to its exchangeable value.

### Ask Proof.

It is apparent that momentous consequences hang on belief in the doctrine "all wealth is created by labor"—nothing less than the upsetting of society. Would it not be well to pause a bit, and ask the anarchists and the socialists, and the Labor Party, and Mr. Henry George, and Mr. Robert G. Ingersoll, to combine their intellects and find one demonstrable case in which the exchangeable value, the quality in which wealth consists, of any commodity, is created solely by labor? Until they can produce such a case clearly and definitely proven, is it not the part of prudence and good citizenship to refuse to follow them? If they fail in a simple matter like this, is it likely they will be wise in managing the reorganization of society?

Let the American workingmen and all other industrious American citizens, when appealed to by Henry George and his followers, whether they call themselves socialists, anarchists, or mere friends of labor, apply this simple but effective test: Ask them to prove the fundamental premise of their argument, that labor creates all wealth. Until they do this, by all reasoning beings they may be held unworthy of confidence.

## APPENDIX.

## LABOR AND CAPITAL.

[*From Political Economy—By Horace Greeley.*]

“If there be those who would array Labor against Capital, I am not of them, nor with them. If there be those who regard the interests of Labor and of Capital as naturally or properly antagonistic, I do not agree with them. In using the term “Laboring Class” or “Working Men,” I conform to a usage which has the recommendation of convenience, and hardly another. In my view, there should be none other than laborers, save the infantile, the disabled, and the dead; and there are not nearly so many non-laborers as is vulgarly supposed. The rum-seller is a worker, though to no good end; even the gambler evinces industry, though to very bad purpose. If I had the ordering of human affairs, I would have every one an apprentice of some sort in youth, a worker for wages (or something equivalent thereto) in early manhood (or womanhood), and every one his or her own employer at a later stage; so that the class of hired workers should be constantly receiving recruits on one side and dismissing skilled, experienced persons to enter upon graver responsibilities on the other. I would have every journeyman realize that he will soon be an employer, every employer remember that he was once a journeyman, as his son (if son he have) soon will be; and I believe the influence of these contemplations would be salutary on all alike. I do not like to hear a man boast that he has been a hireling these twenty or thirty years, and expects to remain such till death; for, though it be true that no man should be ashamed of a humble position, I qualify the statement by the proviso that he has had no fair opportunity to rise above it. A true man will much prefer to shoulder a hod or sweep streets rather than eat the bread of idleness and dependence; but, either our political institutions are mistakes, or a hale, two-handed person, who has not been pulled down by unavoidable misfortune, should be ashamed that, having had twenty years’ control

of his own time and faculties, he still finds hod-carrying or street-sweeping the best thing he is asked or enabled to do. If I had had a fair chance to do for myself for even twenty years, and could now find no better employment than the rudest and coarsest day-labor, I should accept the situation, but not be inclined to brag of it."

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"The world is full of misdirection and waste; but all the calamities and losses endured by mankind through frost, drouth, blight, hail, fires, earthquakes, inundations, are as nothing to those habitually suffered by them through human idleness and inefficiency, mainly caused (or excused) by lack of industrial training. It is quite within the truth to estimate that one-tenth of our people, in the average, are habitually idle because (as they say) they can find no employment. They look for work where it cannot be had. They seem to be, or they are, unable to do such as abundantly confronts and solicits them. Suppose these to average but one million able-bodied persons, and that their work is worth but one dollar each per day; our loss by involuntary idleness cannot be less than \$300,000,000 per annum. I judge that it is actually \$500,000,000. Many who stand waiting to be hired could earn from two to five dollars per day had they been properly trained to work." . . . .

\* \* \* \* \*

"Labor may be so wretchedly misapplied as to produce no Wealth at all. The ruins of ancient capitals like Tadmor, Thebes, or Palmyra, are not capital, and can be made to yield little or no wealth; the Pyramids cost a vast amount of labor, yet have no pecuniary value; the remains of the Coliseum or of Pompeii have very little. I fully concur in the assumption that a prodigal's lavish expenditure no more contributes, in the large view, to the relief of poverty than to the increase of national wealth. The drunken idiot or maniac who sows the street with dollars, to be scrambled for by the mob, does not befriend—he rather debauches—his scuffling, struggling, shouting followers. I fully insist that he who makes and saves, though already possessed of vast wealth, is a greater benefactor to the poor than though he were content to riot, spend, and squander."

\* \* \* \* \*

“And, though Man is first impelled to labor by the spur of material want, the movement outlasts the impulse in which it originated. The miser toils, and schemes, and saves, with an eye single to his own profit or aggrandizement; but commodious public halls, grand hotels, breezy parks, vast libraries, noble colleges, are often endowed in his will or founded on his wealth. Whatever the past has bequeathed for our instruction, civilization, refinement, or comfort, was created for us by the saving, thrifty, provident minority of vanished generations, many of whom were despised and reviled through life as absorbed in selfishness and regardless of other than personal ends. How many of those who flippantly disparaged and contemned him while he lived have rendered to mankind such signal, abiding service as Stephen Girard or John Jacob Astor?”

\* \* \* \* \*

“Yet, when poets, philanthropists, and divines, have said their worst of it, the love of personal acquisition remains the mainspring of most of the material good thus far achieved on this rugged, prosaic planet. Columbus, wearily bearing from court to court his earnest petition to be enabled to discover a new world, insisted on his claim to be made hereditary Lord High Admiral of that world, and to a tithe of all the profits that should flow from its acquisition. The great are rarely so great or the good so good that they choose to labor and dare entirely for the benefit of others; while, with the multitude, personal advantage is the sole incitement to continuous exertion. Man’s natural love of ease and enjoyment is only overborne, in the general case, by his consciousness that through effort and self-denial lies the way to comfort and ease for his downhill of life and a more fortunate career for his children. Take away the inducements to industry and thrift afforded by the law which secures to each the ownership and enjoyment of his rightful gains, and, through universal poverty and ignorance, even Christendom would rapidly relapse into utter barbarism.”

\* \* \* \* \*

“Civilization is founded on accumulated capital and systematic labor. It cannot dispense with either. Though all men work diligently and efficiently through each day, yet, if they spent as fast as they earned, civilized society must perish, and human

existence be maintained with difficulty, if at all. The bar-room loafer who decries capital could not survive the next hard winter without its aid. He lives through the inclement season on that which others more provident have saved and stored against a time of need. He may or may not render an equivalent, but in the absence of capitalists opportunity to make the indispensable trade would be wanting. There is none so poor or wretched that capital earned and owned by others has not already saved him from perishing of want, as it will do again and again. Capital justly acquired and wisely employed is every one's friend, smoothing the ruggedness and lessening the discomfort of even the most forlorn and hapless career."

\* \* \* \* \*

"First of Man's material interests, most pervading, most essential, is Labor, or the employment of human faculties and sinews to create, educe, or shape articles required by his needs or tastes. Though Providence is benignant and Nature bounteous, so that it was possible, in the infancy of the race, that the few simple wants of a handful of savages might be fitfully, grudgingly satisfied from the spontaneous products of the earth; and though a thin population of savages is still enabled to subsist, on a few fertile tropical islands, without regular, systematic industry,—their number being kept below the point of mutual starvation by incessant wars, by cannibalism, by infanticide, and by their unbounded licentiousness,—the rule is all but inexorable that human existence, even, is dependent on human labor. To the race generally, to smaller communities, and to individuals, God proffers the stern alternative, Work or perish! Idlers and profligates are constantly dying out, leaving the earth peopled mainly by the offspring of the relatively industrious and frugal. Philanthropy may drop a tear by their unmarked graves; but the idle, thriftless, improvident tribes and classes will nevertheless disappear, leaving the earth to those who, by planting as well as by clearing away forests, and by tilling, irrigating, fertilizing, and beautifying the earth, prove themselves children worthy of her bounty and her blessing. Even if all things were made common, and the idle welcomed to a perpetual feast upon the products of the toil of the diligent, still the former would rapidly pass away, leaving few descendants, and the children of the latter would ultimately inherit the earth." \* \* \* \* \*

Hence, I regard with apprehension the problem now challenging our attention of Chinese and Japanese Labor. That I profoundly dissent from the line of argument by which its prohibition is usually upheld, need hardly be stated. But, if millions of "coolies" are to be thrust upon us merely because their labor is cheap,—are to remain among us uneducated, unenfranchised, unassimilated foreigners and strangers, to whom our responsibility ends with the payment of their stipulated wages,—then I hold that their cheap labor will prove in the end dearer than any other, because obtained by the sacrifice of those vital principles on which this republic was founded, and lacking which it must cease to be a beacon and a blessing to mankind.

"The Wages system, with all its defects and abuses, is an immense advance upon the mildest and least objectionable form of Slavery. The worker for Wages has rights which the law affirms and constrains all men to respect: his wife and children are his, and in no sense another's; the latter are sometimes invited by the State to partake of the bounties and blessings of an education, which may be rudimentary and imperfect, yet is still of inestimable value; he is usually a citizen and a voter, and may almost always, by good conduct, become either or both if he be not already such; he can often save a part of his earnings, and thus gradually win his way to independence and competence; he has always before him the prospect of becoming his own master, and even the employer of others,—a prospect which should, and often does, make him considerate of the rights and saving of the property of those to whom he sells his services. He, surely, has never been a slave who rashly proclaims the hireling's condition no better than the bondman's.

The very first association mainly of the Laboring Class which shall clearly demonstrate their ability to supply the want of a great capital by combining their moderate means, and directing their own labor to profit through the agency of freely-chosen foremen, officers, or chiefs, will have done more for the emancipation and elevation of Labor than all the speculators and system-builders from Plato's day to our own."



## SPECIMEN UTTERANCES FROM HENRY GEORGE.

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The following extracts from some of the late writings of Henry George may be taken as his matured opinions, and as fairly representing the appeals which he addresses to workingmen, and what he proposes to accomplish.

These have been selected and are here published in order that many who have not the patience or leisure to read his books may obtain in his own words expressions of his peculiar views on various important questions.

I. He seems to believe that the Constitution and laws of the United States fail to secure equal rights to all citizens, as in the following :

“Our so-called recognition of the equal and natural rights of man is to large classes of our people nothing but a mockery, and as social pressure increases, is becoming a more bitter mockery to larger classes, because our institutions fail to secure the rights of men to their labor and the fruits of their labor. That this denial of a primary human right is the cause of poverty on the one side and of overgrown fortunes on the other, and of all the waste and demoralization and corruption that flows from the grossly unequal distribution of wealth, may be easily seen.”—*Social Problems, page 136.*

II. He thinks all the benefit from labor-saving machinery has accrued to landlords :

“Were labor-saving inventions carried so far that the necessity of labor in the production of wealth were done away with, the result would be that the owners of land could command all the wealth that could be produced, and need not share with labor even what is necessary for its maintenance. Were the powers and capacities of land increased, the gain would be that of the landowners. Or were the improvement to take place in

the powers and capacities of labor, it would still be the owners of the land, not laborers, who would reap the advantage."—*Social Problems*, page 200.

"Labor-saving inventions primarily increase the power of labor, and should, therefore, increase wages and improve the condition of the laboring classes. But this only where land is free to labor; for labor cannot exert itself without land. No labor-saving inventions can enable us to make something out of nothing, or in anywise lessen our dependence on the land. They can merely add to the efficiency of labor in working up the raw materials drawn from the land. Therefore, wherever land has been subjected to private ownership, the ultimate effect of labor-saving inventions, and of all improved processes and discoveries, is to enable landowners to demand and labor to pay more for the use of the land. Land becomes more valuable, but the wages of labor do not increase; on the contrary, if there is any margin for possible reductions, they may be absolutely reduced."—*Social Problems*. page 266.

A little cold calculation as to the relative increase of capital in land and capital in personal property will effectually dispel this delusion. The former has increased slowly, but the latter rapidly. But a comparatively small part of the annual profits of trade and manufacture goes for rent. By far the larger part of the savings of the nation remains in goods and chattels.

III. Henry George thinks American laborers are slaves, and slaves of a very miserable description, as witness the following :

"And as no possible increase in the power of his labor, or reduction in his expenses of living, can benefit the slave, neither can it, where land is monopolized, benefit those who have nothing but their labor. It can only increase the value of the land—the proportion of the produce that goes to the landowner. And this being the case, the greater employment of machinery, the greater division of labor, the greater contrasts in the distribution of wealth, become to the working masses positive evils—making their lot harder and more hopeless as material progress goes on. Even

education adds to the capacity for suffering. If the slave must continue to be a slave, it is cruelty to educate him.”—*Social Problems*, page 202.

“English ships carried negro slaves to America, and not to England or Ireland, because in America land was cheap and labor was valuable, while in western Europe land was valuable and labor was cheap. As soon as the possibility of expansion over new land ceased, chattel slavery would have died out in our Southern States. As it is, Southern planters do not regret the abolition of slavery. They get out of the freedmen as tenants as much as they get out of them as slaves.”—*Social Problems*, page 206.

“Or what would the New England manufacturer gain by the enslavement of his operatives? The competition with each other of so-called freemen, who are denied all right to the soil of what is called *their* country, brings him labor cheaper and more conveniently than would chattel slavery.”—*Social Problems*, page 206.

“But by changing the form of slavery—by freeing men and appropriating land—all the advantages of chattel slavery can be secured without any of the disadvantages which in a complex society attend the owning of a particular man by a particular master.”—*Social Problems*, page 208.

“They no longer have to drive their slaves to work : want and the fear of want do that more effectually than the lash. They no longer have trouble of looking out for their employment or hiring out their labor, or the expense of keeping them when they cannot work. That is thrown upon the slaves. The tribute that they still wring from labor seems like voluntary payment. In fact, they take it as their honest share of the rewards of production.”—*Social Problems*, page 209.

“The essence of slavery is the robbery of labor. It consists in compelling men to work, yet taking from them all the produce of their labor except what suffices for a bare living. Of how many of our ‘free and equal American citizens’ is that already the lot? And of how many more is it coming to be the lot?”—*Social Problems*, page 210.

“Of the two systems of slavery, I think there can be no doubt that upon the same moral level, that which makes property of persons is more humane than that which results from making private property of land.”—*Social Problems*, page 218.

“And I think no one who reads our daily papers can doubt that even already, in the United States, there are many who, did chat-

tel slavery without race distinction exist among us, would gladly sell themselves or their children, and who would really make a good exchange for their nominal freedom in doing so.”—*Social Problems*, page 220.

The absurdity of these utterances is sufficiently manifest. Slaves that vote, and hold mass-meetings and organize political parties, that may, and frequently do, become members of Congress, State Legislatures and City Councils—in fact slaves who are eligible to any office from President down, are certainly a novel kind of slaves. The slaves (?) of Milwaukee Co., Wisconsin, representing about one-third of the population and less than a twentieth part of the property of the County, elected, at the recent election, a member of Congress and a full County Ticket, and for the next two years will levy taxes upon and make appropriations at will out of the property of their masters (?). Verily, these George slaves are a queer kind of slaves. We venture to assert, too, that the American citizen who is willing to make slaves of himself and his children, is a curiosity which the enterprising proprietor of a dime museum would do well to secure for exhibition, if he can find him.

IV. This is what he thinks of the war for the Union, by which the slaves in the South were emancipated, and of the financial measures by which its success was secured :

“While as for the great national debts of the world, incurred as they have been for purposes of tyranny and war, it is impossible to see in them anything but evil. Of all these great national debts that of the United States will best bear examination ; but it is no exception.”—*Social Problems*, page 225.

“A great public debt creates a great moneyed interest that wants ‘strong government’ and fears change, and thus forms

a powerful element on which corrupt and tyrannous government can always rely as against the people. We may see already in the United States the demoralization of this influence; while in Europe, where it has had more striking manifestations, it is the mainstay of tyranny, and the strongest obstacle to political reform."—*Social Problems*, page 229.

Yet he wants the strongest kind of a government to be the universal landlord.

V. This shows what he thinks of the National Banking system, and of the financial credit of the nation, although it is apparent that he has only very hazy notions regarding these matters:

"Not only did we, by the institution of the National Banking system, give them [the rich lenders] back nine-tenths of much of the money thus borrowed while continuing to pay interest on the whole amount, but even where it was required neither by the letter of the bond nor the equity of the circumstances we made debt incurred in depreciated greenbacks payable on its face in gold."—*Social Problems*, page 225.

VI. The following is his criticism of the administration of our Government since the war:

"Ever since the war the great effort of our national Government has not been to reduce taxation, but to find excuses for maintaining war taxation. The most corrupting extravagance in every department of administration has thus been fostered, and every endeavor used to increase expense. We have deliberately substituted a costly currency for a cheap currency; we have deliberately added to the cost of paying off the public debt; we maintain a costly navy for which we have no sort of use, and which, in case of war, would be of no sort of use to us; and an army twelve times as large and fifteen times as expensive as we need."—*Social Problems*, page 230.

VII. He does not approve the common law, and has a poor opinion of lawyers:

"In legal administration there is a large field for radical reform. Here, too, we have servilely copied English precedents, and have allowed lawyers to make law in the interest of their

class until justice is a costly gamble for which a poor man cannot afford to sue. The best use that could be made of our great law libraries, to which the reports of thirty-eight States, of the Federal courts, and of the English, Scotch and Irish courts are each year being added, would be to send them to the paper mills, and to adopt such principles and methods of procedure as would reduce our great army of lawyers at least to the French standard. At the same time our statute books are full of enactments which could, with advantage, be swept away."—*Social Problems*, page 236.

VIII. His financial theories, if they can be dignified by that name, are vague, but make up in positiveness what they lack in coherency:

"Yet instead of doing what every public consideration impels us to do, and assuming wholly and fully as the exclusive function of the general Government the power to issue paper money [seems to be a fiat-money man], the private interest of bankers have, up to this, compelled us to the use of a hybrid currency, of which a large part, though guaranteed by the general Government, is issued and made profitable to the corporations. The legitimate business of banking—the safe keeping and loaning of money, and the making and exchange of credits—is properly left to individuals and associations; but by leaving to them, even in part and under restrictions and guarantees, the issuance of money, the people of the United States suffer an annual loss of millions of dollars, and sensibly increase the influences which exert a corrupting effect upon their government."—*Social Problems*, page 244.

IX. He has settled the railroad question for all time and no more need be said:

"It is not necessary to go into any elaborate argument to show that the ownership and management of railroads is a function of the State. That is proved beyond dispute by the logic of events and of existing facts. Nothing is more obvious—at least in the United States, where the tendencies of modern development may be seen much more clearly than in Europe—than that a union of railroading with the other functions of government is inevitable."—*Social Problems*, page 247.

X. The following proposition is likely to startle the average man who is versed in practical affairs.

Nothing more is needed to prove that Henry George is an idle dreamer, that he has little knowledge of human nature or of the ways of the world :

“There can be no doubt that the standard of commercial honesty would be much higher in the absence of laws for the collection of debts.”—*Social Problems*, page 237.

XI. Lastly, Henry George's peculiar views with reference to property in land are fairly epitomized in the following quotations :

“There is no escape from it. If we would save the republic before social inequality and political demoralization have reached the point where no salvation is possible, we must assert the principle of the Declaration of Independence, acknowledge the equal and unalienable rights which inhere in man by endowment of the Creator, and make land common property.”—*Social Problems*, page 276.

“As a matter of fact, nothing is more repugnant to the natural perceptions of man than that land should be treated as subject to individual ownership, like things produced by labor. It is only among an insignificant fraction of the people who have lived on the earth that the idea that the earth itself could be made private property has ever obtained ; nor has it ever obtained save as the result of a long course of usurpation, tyranny and fraud.”—*Social Problems*, page 277.

“What more preposterous than the treatment of land as individual property ? In every essential land differs from those things which being the product of human labor are rightfully property.”—*Social Problems*, page 278.

## GEORGE'S LAND THEORY.

Mr. George made his reputation out of his book, "Progress and Poverty," the central thought and doctrine of which is, that private ownership of land is the most potent cause of poverty among the masses. He pronounces all other remedies for the cure of poverty inadequate, and demands the abrogation of all private real estate titles—practically demands that the government confiscate all lands without compensation; establish a fixed annual rental to be paid the government and no other property but land to be taxed at all.

In Chapter II. of Book VI. of "Progress and Poverty" (page 237), Mr. George says :

"To extirpate poverty, to make wages what justice demands they should be—the full earnings of the laborer—we must, therefore, substitute for individual ownership of land, a common ownership. Nothing else will go to the cause of the evil—in nothing else is there the slightest hope. This, then, is the remedy for the unjust and unequal distribution of wealth apparent in modern civilization, and for all the evils which flow from it. We must make land common property."

### PRIVATE OWNERSHIP OF LAND UNJUST AS SLAVERY.

Over Chapter II. of Book VI. (page 249), he places this heading: "THE ENSLAVEMENT OF LABORERS THE ULTIMATE RESULT OF PRIVATE PROPERTY IN LAND." And then he opens the chapter as follows: "If chattel slavery be unjust, then is private property in land unjust." Same book and chapter (page 257), he says :

"Our boasted freedom necessarily involves slavery, so long as we recognize private property in land. Until that is abolished,



Declarations of Independence and Acts of Emancipation are in  
vain. \* \* \* \* \*

Private ownership in lands is the nether mill-stone. Material  
progress is the upper mill-stone. Between them, with an increas-  
ing pressure, the working classes are being ground."

Same book and page, Chapter III. begins :

"The truth is, and from this truth there can be no escape,  
that there is and can be no just title to an exclusive possession of  
the soil, and that private property in land is a bold, bare, enor-  
mous wrong, like that of chattel slavery."

#### LAND OWNERSHIP ROBBERY.

This chapter is devoted to the discussion of the  
question of compensating the owners of the land,  
and Mr. George doesn't seem to have been in the  
compensating humor when he wrote it. He says  
page 263):

"It is not merely a robbery in the past ; it is a robbery in the  
present—a robbery that deprives of their birthright the infants  
that are now coming into the world ! Why should we hesitate  
about making short work of such a system ? Because I was  
robbed yesterday and day before, and the day before that, is it  
any reason that I should suffer myself to be robbed to-day and  
to-morrow ? Any reason that I should conclude that the robber  
has acquired a vested right to rob me ?"

#### ONE GOOD REASON.

One good reason why he should "hesitate to  
make short work" of it is because the land own-  
ers will have something to say about it, and because  
they would fight to the death before they would  
submit to any such scheme. Men hold on to their  
property while they live and direct the disposal of  
it after they are dead. It is idle and foolish to sup-  
pose that any large number of property owners will

ever surrender their property, or be convinced that they ought to do so. Slavery was only wiped out in this country at the point of the bayonet. It took four years of war to do it; and there were less than four hundred thousand slaveholders in 1860, and the interest and feelings of a majority of other property owners were against slavery. There are millions of land owners and the interests and sympathies of all other classes of property owners would be with them in this contest. Mr. George asks poor men to contemplate a scheme which they could only achieve by force, with the odds both in numbers and power—the power of the government—against them. Every man who has property, or a home, or expects to have either by his own exertions, would be against them.

The whole scheme is manifestly impossible of practical application, and grossly absurd, and only evil in the effects of its agitation.

# SOCIALISM.

[From "Our Country," Chapter VIII.—By Rev. Josiah Strong.]

## PERILS—SOCIALISM.

The despotism of the few and the wretchedness of the many have produced European socialism. It has been supposed that its doctrines could never obtain in this land of freedom and plenty; but there may be a despotism which is not political, and a discontent which does not spring from hunger. We have discovered that German socialism has been largely imported, has taken root, and is making a vigorous growth. Let us look at it as it appears in this country. There are two parties in the United States, known as the "Socialistic Labor Party," and the "International Workingmen's Association." The one is the thin, the other the thick, end of the socialistic wedge. Both seek to overthrow existing social and economic institutions; both propose a co-operative form of production and exchange, as a substitute for the existing capitalistic and competitive system; both expect a great and bloody revolution; but they differ widely as to policy and extreme doctrines. The platform\* of the Socialistic Labor Party contains much that is reasonable, and is well calculated to discipline American workmen. It does not, as a party, attack the family or religion, and is opposed to anarchy. The International Workingmen's Association, which is much the larger party, is extreme and violent. The ideals of the Internationals are "common property, socialistic production and distribution, the grossest materialism—for their god is their belly, free love, in all social arrangements, perfect individualism; or, in other words, anarchy. Negatively expressed—Away with private property! Away with all authority! Away with the State! Away with the family! Away with religion!" † In the manifesto unanimously adopted

\* See the document in Joseph Cook's "Socialism," pp.20—22.

† Prof. R. T. Ely, in *The Christian Union*. For an able exposition of Recent Phases of Socialism in the United States, see articles by Professor Ely, in *The Christian Union* for April 24th, May 1st, and May 8th, 1884.

by the Internationals at Pittsburgh, occurs the following: "The church finally seeks to make complete idiots of the masses, and to make them forego the paradise on earth by promising them a fictitious heaven." *Truth*, published in San Francisco, says: "When the laboring men understand that the heaven which they are promised hereafter is but a mirage, they will knock at the door of the wealthy robber, with a musket in hand, and demand their share of the goods of this life now." *Freiheit*, the blasphemous paper of Herr Most, thus concludes an article on the "Fruits of the Belief in God": "Religion, authority and State are all carved out of the same piece of wood—to the Devil with them all!" The same sheet "advocates a new genealogy, traced from mothers, whose names, and not those of the fathers, descend to the children, since it is never certain who the father is." "Public and common up-bringing of children is likewise favored in the *Freiheit*, in order that the old family may completely abandon the field to free love." \*

Having lost all faith in the ballot, the Internationals propose to carry out their "reforms" by force. The following is from the Pittsburgh manifesto: "Agitation for the purpose of organization; organization for the purpose of rebellion. In these few words the ways are marked, which the workers must take if they want to be rid of their chains. We could show, by scores of illustrations, that all attempts in the past to reform this monstrous system by peaceable means, such as the ballot, have been futile, and all such efforts in the future must necessarily be so. There remains but one recourse—force!"

The Central Labor Union had a parade in New York City, September 5th, 1883, in which from ten to fifteen thousand laborers participated. Some of their banners were inscribed as follows: "Workers in the Tenements, Idlers in the Brown-stone Fronts"; "Down with Oppressive Capital"; "The Wage System Makes Us Slaves"; "We Must Crush Monopolies Lest They Crush Us"; "Prepare for the Coming Revolution"; "Every Man Must Have a Breech-loader and Know How to Use It." The *Vorbote*, published in Chicago, glorifies dynamite as "the power which, in our hands, shall make an end of tyranny." *Truth* says: "War to the palace, peace to the cottage, death to luxurious idleness. We have no moment to waste. Arm! I say, to the teeth! for the

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\* Professor Ely, in *The Christian Union*.

revolution is upon you." An article in the *Freiheit*, entitled "Revolutionary Principles," contained the following: "He (the revolutionist) is the irreconcilable enemy of this world, and, if he continues to live in it, it is only that he may thereby more certainly destroy it. He knows only one science—namely, destruction. For this purpose he studies day and night. For him everything is moral which favors the triumph of the revolution, everything is immoral and criminal which hinders it. Day and night may he cherish only one thought, only one purpose—namely, inexorable destruction. While he pursues this purpose, without rest and in cold blood, he must be ready to die, and equally ready to kill every one with his own hands who hinders him in the attainment of this purpose." There has been recently formed in the United States a society called "The Black Hand," which, in its proclamation, urges "the propaganda of deed in every form," and cries: "War to the knife!" The explosions in the Houses of Parliament and Tower of London called forth the following declarations at a meeting of socialists in Chicago: "This explosion has demonstrated that socialists can safely go into large congregations in broad daylight and explode their bombs.

"A little hog's grease and a little nitric acid make a terrible explosion. Ten cents' worth would blow a building to atoms.

"Dynamite can be made out of the dead bodies of capitalists as well as out of hogs.

"All Chicago can be set ablaze in a minute by electricity.

"Private property must be abolished, if we have to use all the dynamite there is, and blow ninety-nine hundredths of the people off the face of the earth."

At the time of the railroad riots in 1877, which cost many lives and not less than a hundred million dollars of property, and to quell which ten States, reaching from the Atlantic to the Pacific, called on the President of the United States for troops, there were but few socialists among us, and they seem to have been taken unawares by the outbreak; but they will be prepared to make the most of the next. The following are stock phrases found in all their publications: "Get ready for another 1877"; "Buy a musket for a repetition of 1877"; "Buy dynamite for a second 1877"; "Organize companies and drill to be ready for a recurrence of the riots of 1877."

The *Vorbote* of Chicago says: "You might as well suppose the military organizations of Europe were for play and parade,

as to suppose labor organizations were for mere insurance and pacific helpfulness. They are organized to protect interests, for which, if the time comes, they would fight." But the present strength of socialistic organizations in the United States concerns us less than their prospective numbers. Let us look at the conditions favorable to the growth of socialism. The reception given to the books of Mr. Henry George is one of the signs of the times. "Progress and Poverty" has been read by tens of thousands of workingmen. And the fact that the demand for an economic work should exhaust more than a hundred editions, and still continue unsatisfied, indicates a great deal of popular sympathy with its doctrines. That Mr. George has made many disciples among American workmen is shown by the organs of the various labor organizations; and any one who is convinced that proprietorship in land is unjust, has taken at least one step toward Proudhon's famous doctrine that "property is theft." Mr. George has rendered eminent service to the cause of socialism against traditional law by bringing to its support, in the United States, the strength of moral ideas.

Workingmen are apt to be improvident. It is often their own fault that enforced idleness so soon brings want. Though, at times, they know enough of want, as a class they know little of self-denial. They generally live up to the limit of their means. If wages are good, they have the best the market affords; when work and credit fail, they go hungry. Neither the capitalist nor the laborer has a monopoly of the fault for the difficulties existing between them. But our inquiry is after facts, not faults; and the fact of improvidence on the part of many workingmen only makes their discontent the deeper and more certain.

A communistic leader, who visited America thirty years ago, was asked what he thought of the condition of the working classes here. "It is very bad," he replied, "they are so discouragingly prosperous." But the growth of dissatisfaction and of socialism among our wage-workers, in recent years, has taken place notwithstanding generally good harvests and a great increase of aggregate wealth. Poor harvests were potent causes in bringing Louis XVI. to the guillotine, and precipitating the Reign of Terror. We must, of course, expect them to occur as heretofore, perhaps recur in successive years. The condition of the working man will then probably be bad enough to satisfy the most pessimistic agitator. Every such "winter of discontent" among

laborers is made "glorious summer" for the growth of socialistic ideas.

We have glanced at the causes which are ministering to the growth of socialism among us; a wide-spread discontent on the part of our wage-working population, the development of classes and class antipathies, and the appearance of an unemployed class of professional beggars, popular skepticism, a powerful individualism and immigration. If these conditions should remain constant, socialism would continue to grow; but it should be remembered that all of these causes, with the possible exception of skepticism, are becoming more active. Within the life-time of many now living, population will be four times as dense in the United States as it is to-day. Wage-workers, now one-half of all our workers, will multiply more rapidly than the population. After our agricultural land is all occupied, as it will be a few years hence, our agricultural population, which is one of the great sheet-anchors of society against the socialistic current, will increase but little, while great manufacturing and mining towns will go on multiplying and to multiply. In the development of our manufacturing industries and our mining resources we have made, as yet, hardly more than a beginning. When these industries have been multiplied ten-fold, the evils which now attend them will be correspondingly multiplied.

It must not be forgotten that, side by side with this deep discontent of intelligent and unsatisfied wants, has been developed, in modern times, a tremendous enginery of destruction, which offers itself to every man. Since the French Revolution nitro-glycerine, illuminating gas, petroleum, dynamite, the revolver, the repeating rifle and the Gatling gun have all come into use. Science has placed in man's hand superhuman powers. Society, also, is become more highly organized, much more complex, and is therefore much more susceptible of injury. There never was a time in the history of the world when an enemy of society could work such mighty mischief as to-day. The more highly developed a civilization is, the more vulnerable does it become. This is pre-eminently true of a material civilization. Learning, statesmanship, character, respect for law, love of justice, cannot be blown up with dynamite; palaces, factories, railways, Brooklyn bridges, Hoosac tunnels, and all the long inventory of our material wonders, are destructible by material means. "The explosion of a little nitro-glycerine under a few water-mains would make a great city uninhabitable; the blowing up of a few railroad bridges

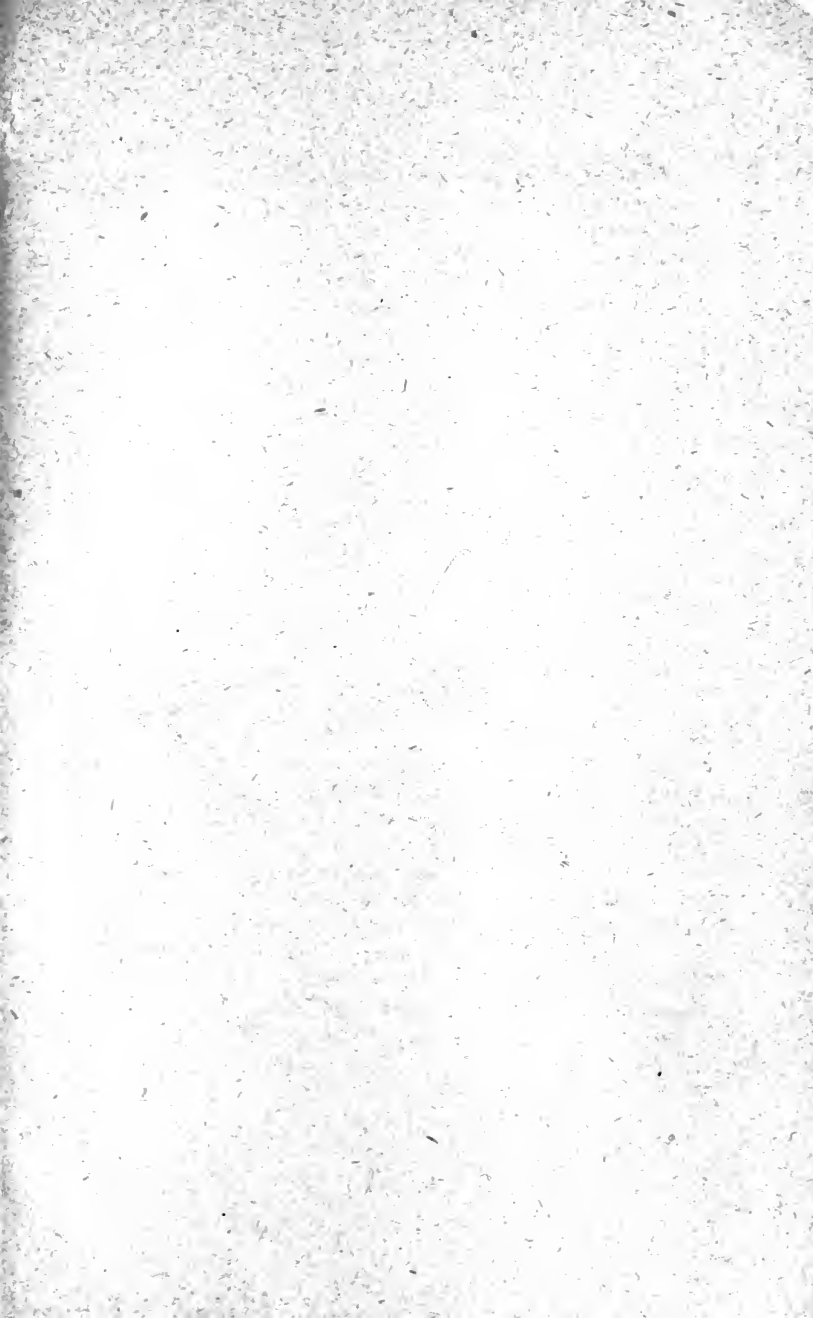
and tunnels would bring famine quicker than the wall of circumvallation that Titus drew around Jerusalem ; the pumping of atmospheric air into the gas-mains and the application of a match would tear up every street and level every house." We are preparing conditions which make possible a Reign of Terror that would beggar the scenes of the French Revolution.

Modern civilization is called on to contend for its life with forces which it has evolved. Said President Seelye, last summer, to the graduating class of Amherst College: "There is one question of our time toward which all other questions, whether of nature, of man, or of God, steadily tend. . . . No one will be likely to dispute the affirmation that the social question is, and is to be, the question of your time." That question must be met in the United States. We need not quiet misgiving with the thought that popular government is our safety from revolution. It is *because* of our free institutions that the great conflict of socialism with society as now organized is likely to occur in the United States.

There is a strong disposition among men to charge most of the ills of their lot to bad government, and to seek a political remedy for those ills. They expect in the popularization of power to find relief. Constitutional government, a free press and free speech would probably quiet popular agitation in Russia for a generation. The new Franchise Bill will array restlessness in England for a time. If Germany should become a republic, we should hear little of German socialism for a season. But all our salve of this sort is spent ; there are no more political rights to bestow ; the people are in full possession. Here, then, where there is the fullest exercise of political rights, will the people first discover that the ballot is not a panacea. Here, where the ultimate evolution of government has taken place, will restless men first attempt to live without government.

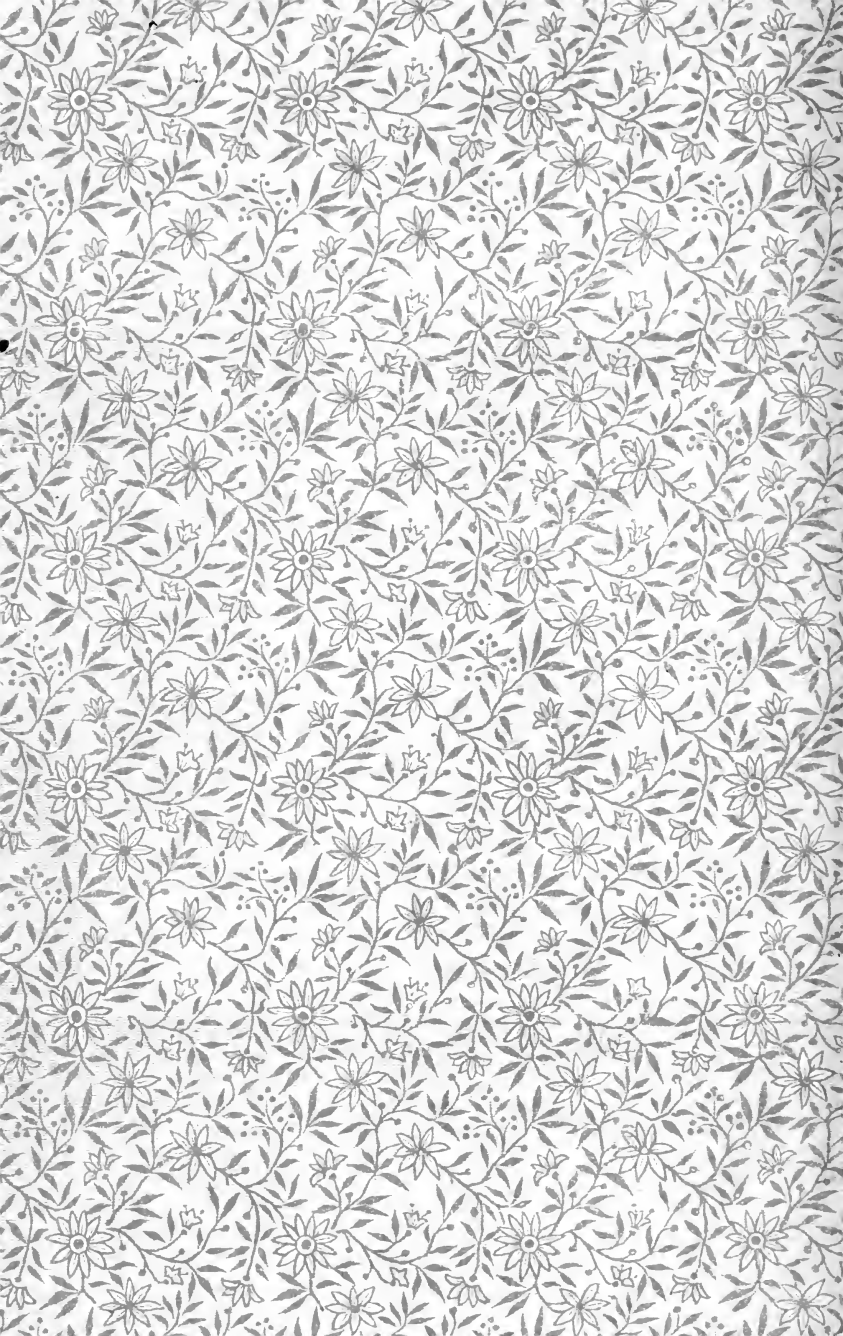
There is nothing beyond republicanism but anarchism.











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