

Robinson Crusoe:
The Lord of the Soil
by
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Introduction

The principles of economics, if they are to be established in the science, must be true everywhere that observations can be made. And a principle is more likely to be ultimate truth if it is logically true under any economic conditions we can realistically conceive by extending, mentally, observable fact already established.

A principle of property, for example, that may be true in ancient and modern civilizations, may yet be in error where civilization is thin or primitive, or where it does not exist at all, as when a group is lost in the jungle or forest and is forced to act for its survival with the economic material and forces at hand. If one man is isolated and thus faces nature alone, our principle may emerge from analyzing his plight and efforts to survive. The complication of civilization does not come into play to any great extent, for example, in the experience of Robinson Crusoe during his protracted struggle on his lonely isle.

An analysis of Robinson Crusoe's economic activities and his conception of them, and the economic principle or principles that may emerge, should aid us on such approaching problems as the need for a law of the sea and a basis for the settlement of Antarctica; and for the international exploitation of the moon and the planets--all of these land-spaces are nature in the raw and man's correct relation to them, under a principle of property, must be sought for.

Crusoe can be represented as mankind itself, searching for a rational set of economic principles relating mankind to nature, here and beyond. If a principle of property is established by our analysis that can bear examination and aligns with observation and logic when applied to historical fact, current observations and future expectations, we will be on solid ground and will have erected a strong foundation for economic science that it clearly lacks at present.

His island was the whole world to Crusoe until others came. He was the unchallenged lord of the soil, as were the indians in North and South America, until the Europeans arrived. It is during this initial, totally isolated stage that Crusoe parallels the experience of mankind emerging from primitive economic conditions. From this beginning, eschewing all teachings of current economic science, we begin our analysis.

The Factors of Production

We must return to the beginnings of classical economic science to introduce an emphasis that has long been neglected. As set down by Adam Smith, the accepted father of economics, there are three factors of production--land, labor, and capital.

Crusoe had labor potential in whatever physical and mental apparatus he inherited and developed throughout his life. The level of his dexterity, skill, knowledge or habit of diligence and basic resourcefulness would determine his style of life and, indeed, whether he would survive at all. The factor of labor must be applied or no production will be forthcoming.

Crusoe had no aids to labor--capital--at the outset, except a knife. When his ship came in, so to say, he found much to help him in his predicament. He removed from the abandoned hull, that miraculously came near the shore, a number of tools and provisions, though most of this gratuitous largesse was not high, technologically-advanced capital, a chance for survi-

val was embedded in them. He now had planks or boards, corn and rice(some used for crops later on), a carpenter's chest (not open at this time but true capital in its contents), powder, ammunition and arms(fowling pieces and pistols); two saws, an axe and a hammer.

Though he saw the only clothes he had swept from the shore by the tide and flung into the sea, he searched for only a few items of clothing, since,

...I had other things which my eye was upon, as first, tools to work with on shore....*

The carpenter's chest was more valuable than gold, as Crusoe says. He intuitively understood true capital--all items that would aid economic production: tools and seeds for current and future harvest.

On subsequent visits to the ship more capital was obtained: Rigging and sail(used as covering for his wares), nails, spikes, hatchets and a grindstone; more ammunition, seven muskets, shot and powder and sheet lead; a good deal of rope-twine , scissors and three razors.

Other items taken from the ship were not aids to labor--not capital in the strict sense--or to be used to increase Crusoe's economic production but were consumption items that would provide the energy and shelter to enable him to use his labor power. Such items as a canvas sail(used to make a makeshift tent for his earliest sleeping quarters), bread, rice and corn to be consumed and not planted for future harvest; cheese, goat's flesh, liquor and clothing; a hammock and bedding; flour, sugar and knives and forks come under this heading.

Labor was expended when Crusoe transferred items from the ship to shore. It was a productive effort, though no product was yet formed. But production was on its way. All future crops and herds had their beginnings in this initial effort. The future harvest was potentially there, as in the seed of a plant or the sperm and egg united in the female mammal.

Robinson Crusoe by Daniel Defoe, Harper and Row, N.Y., p.49.
Based on the true-life experiences of the marooned Alexander Selkirk.

Production is not simply the final product but is also the product in formation. Therefore, it is true labor in the production of wealth that Crusoe refers to when he says he "had laboured very hard all day, as well to fetch all those things from the ship, as to get them on shore." *

Thus we have two factors of production at work, labor and capital, and through Crusoe's diligence, a measure of comfort and an assured survival followed.

But we must be careful here. We do not have production for sale in Crusoe's economic system. We have capital used in the production of more wealth, but none in the course of exchange. Nor is Crusoe's labor expended for any other purpose than his own consumption. With the aid of capital he would augment this consumption. But we are here making separations as to the elements concerned in the production of wealth. Labor is one thing, capital another, but labor and capital produce all wealth and are clearly the active factors.

We are simply presenting an analogy to attempt an advance toward a principle of property that will be true when man is in isolation or where aggregate labor and capital, operating in a modern economic milieu, produces wealth for exchange. We repeat, if this principle is true in Antarctica, on the moon or the planets beyond, or in any conceivable economic system, it should serve as the underpinning of a true economic science. But we cannot strictly maintain that Crusoe's production is analagous to a large economy serving great numbers, since all production in such an economy is for exchange.

Since labor and capital produce all wealth, the rights to wages and interest rest on human exertion and is generally recognized as the basis of compensation for these two factors. The laborer (including management and the entrepreneur) receives his income which gives him command over the general production. If he is also the owner of capital engaged in production he would receive income from this factor also, strictly denominated

*Ibid., p. 54.

as interest. To fully justify the income of these factors, it is essential to our argument that capital and labor be seen as the engines of production. The skilled and unskilled laborer, the clerical staff, the manager and planning department and the executive group of a given enterprise are ever at work bringing a product into being. And all aids to labor are employed on a continuing basis. From the first conception of the product to the final packaging, there is unceasing activity.

We have likened this to a seed growing into a plant or a fertilized egg* resulting in the birth of a mammal. Though these are not processes that parallel economic production, they have been introduced to allow them to settle in the reader's mind and to establish the point that a product is in process until the final sale to the consumer. Only with this process in mind can we understand the contribution of labor and capital in production. A product does not come full-blown, as Athena from the head of Zeus. Robinson Crusoe became aware of this in his exhausting efforts to survive:

Tis a little wonderful, and what I believe few people have thought much upon, viz., the strange multitude of little things necessary in the providing, producing, curing, dressing, making and finishing the one article of bread. **

Whatever maldistribution of the product can be claimed because of the labor-capital dichotomy, it still remains that both these factors work together to produce all wealth. Labor brings capital into being, but without advanced, technological capital labor would be a poor producer indeed, as the historical record bears witness.

Let us return to Robinson Crusoe and his prospects and become aware, primarily, of the island. It is also an essential factor in Crusoe's production. Without the island, all of Crusoe's labor and capital could not be employed. If he had

*We used the phrase, "the sperm and egg united in the female mammal," instead of "fertilized egg" and were cognizant that grammatical purists would be offended by the extended syntax, but since the sperm and egg could be thought of as capital and labor, an economy of words would not advance an argument that was proceeding felicitously.

**Ibid., p.115.

not a landing place for his goods, he would have perished when the ship was blown out to sea. If it had been a desert isle he had come to, his production would have been minimal and Crusoe's life would have been a short one, since no prospect of rescue showed up for twenty-eight years. But on this verdant space were to be found flora and fauna, clean air, fresh water and no aggressive, wild animals. Later, he faced the problem of cannibalism, but that complication is of little account in our analysis.

Crusoe had a "given," the third factor of production, land, when he was marooned on his Orinocan island. Therefore, it is seen that in addition to the active factors of labor and capital he had the passive factor, land: "All the material universe outside of man and his products."* Though Crusoe's universe was severely circumscribed, his "land" had universality for him. The assembly of nature was there. Materials had been deposited and had grown there from primeval times to the time of his arrival. No human mental or physical effort had brought the sand and soil, the grassy plains, the forests, the goats and other animals into being; in short, the entire array of animal and plant life on the island was his to explore and exploit, to use or misuse, to simply consume or to augment by cooperating with nature. The essential point is that Crusoe's efforts or that of humankind had no part in the creation of the space-time and material continuum found in the universe or what he came to call "his" island.

Without reflecting on these economic elements and forces, though well aware of his good fortune in the opportunity to obtain the provisions from the ship, Crusoe--with great diligence--sets out to build his "castle" and, later, his "country seat, " as he called them.

His labor skills increased by trial and error, and his labor is effective because of his almost inhuman concentration and exertion. He plans and executes. He searches for animals to breed and builds enclosures for them. In the breeding effort

*A Georgian(from Henry George)definition of land in its wider and universal application.

he uses land: wild goats, the enclosure space and trees for fencing, and forage. This is a capitalist venture, though not for exchange. Some production is for current consumption, some to produce more wealth. This is also true of any utensils or pottery he makes. Thus we have our one man economy, using land, labor and capital, at work. In the examination of his economic activities and his usage of economic forces economic principles should emerge.

Crusoe's productions were clearly the result of his exertions, and therefore his right to these products was based solely on these efforts. What is true of the isolated man is true, and has been generally recognized as true, of all human productions. The sum of all wealth in existence has its origin in the combined strengths of individuals and, in justice, should be distributed to those who expended their energies to bring that wealth into being. Labor and capital are clearly stamped with this characteristic. There is no other force in this world but man's energies that is capable of rendering matter into the forms of wealth as we know them.

But we have another factor in the production process--land. Crusoe ponders this:

What is this earth and sea of which I have seen so much? Whence is it produced, and what am I, and all the other creatures, wild and tame, human and brutal, whence are we? *

He recognizes here that this production--this earth and sea--is not man-made. If he had pondered further, the concept that all of nature, outside of man and his products, is land, as we have defined it, and was his "given" on the island would have become clear to him, as it should to man on earth when a true principle of property is established. But, as in mankind's material advance, the passive earth responded to Crusoe's efforts, as he simply wished "to satisfy

*Ibid., p. 89-90.

his desires with the least exertion,"*and was totally innocent of economic distinctions. And this failure to recognize land as the common heritage of mankind on the part of Crusoe and mankind in general has made all the difference.

Crusoe proceeded with no appetite of avarice, no congenital busybody tendencies of human nature and no desire for power. He simply acted on and followed nature to provide his sustenance, and there was no manna from heaven, but the island itself. Mankind has brought into being all the wealth that was ever produced on the same basis and with the same logic, from conception to product. Crusoe was acting as economic man outside the textbooks, even as homo erectus. He used and reacted to nature within a system of priorities. But in his economic framework there were no opportunities for trade and thus to relieve himself of some of his numerous tasks and raise his standard of living.

To recapitulate: Labor and capital, using land, produces all wealth, which comes into being by the human mental and physical exertions of the individual in isolation or by the efforts of men in society. Labor, therefore, justly receives its wages (the adequacy of this is a separate question) and Capital justly receives its interest. The landowner receives his rent, but, qua landowner of the "given," he produces nothing. He, with the permission of all men at present, imposes his private "tax" on production. We see this because the active and passive factors can be easily identified on Crusoe's island, but within a complicated civilization this realization of economic forces has penetrated the general mind but slightly. But the lords of the soil, the large earthholders, have always known what they were about, as they do today. On the imperial estates of Rome, in the medieval manor and under the fee simple arrangement of our time, they have reaped, and continue to reap, where they have not sown. All this is clear and unmistakable, and no sophistry can set this fact aside.

There is no argument like that
demonstration of fact. **

*A basic foundational tenet of Georgian thought.

**Daniel Defoe, as quoted in Daniel Defoe, Citizen of the Modern World by John Robert Moore, Univ. of Chicago Pr., p.ix.

The Lord of the Soil

Crusoe appropriated to himself all the land of the island, and yet, as we have noted, asked pertinent questions as to the origin of the earth and sea, whence it was produced along with "the other creatures, wild and tame, human and brutal." At other times, he surveys the "delicious vale...with a secret kind of pleasure..." and then, reflexively, expresses his mind-set: "...to think this was all my own, that I was king and lord of all this country indefeasibly and had all right of possession; and if I could convey it, I might have in inheritancy as complete as any lord of a manor in England." * And what inferences were to be taken from this lordship he was well aware:

I had the lives of all my subjects at my absolute command, I could hang, draw, go liberty, and take it away, and no rebels among all my subjects. **

But Crusoe's mind-set on the island was, of course, that of Daniel Defoe, who advised the landlords of England on occasion. Defoe saw clearly that market-gardening or grazing, instead of wheat farming, would increase the income of the earthholders and urged them to act accordingly. Defoe's view was that if land rents and produce prices remained high, then demand would be maintained and employment kept at a high level. No thought here of unproductive or productive, active or passive factors.

But Defoe's landowner was the small farmer, not the lords of the soil of the large landed estates. He never passed that pale to examine the land question, under a consistent principle of property. His economic views were at best rudimentary and inconsistent. He would set immigrants on land, aided by government loans that would eventually be paid back. Thus a new set of landowners would have come into being. At another time, he would maintain

*Robinson Crusoe, p.97. **Ibid., p.144.

that the wild spending of the gentry and their general consumption was a boon to the economy, an idea in the air that led to Mandeville's edict that "private vices are public virtues."

There were many gentlemen (a high social designation in Defoe's day) who lived off the rents of their estates in the countryside. The nature of landlordship allows this. One need not attend extensions in space, one need only collect the rents. This is not possible in a productive enterprise. When your efforts and capital are crucial to the enterprise one must be on the premises regularly.*

In The World of Defoe, Peter Earle, in assessing Defoe's views, says, "So far in our discussion, Defoe's economics have an element of unreality." ** But the strong presence of the landed interest could not have escaped Defoe, an acute observer. His fixation on the assumed need of these high spenders and their economic demand clouded his usually clear moral judgement, and thus he never saw the nature of their income. "Parasites on the countryside!" is an old judgement that rings true and did not elude the mind of a distinguished contemporary of Defoe. Dean Swift, with characteristic insight, understood the nature of the country gentlemen's life and livelihood:

Mr. Secretary was a perfect country gentleman at Buckleberry; he smoakt tobacco with one or two neighbors; he enquired after the wheat in such a field, he went to visit his hounds; and knew all their names; he and his lady saw me to my chamber just in the country fashion. His house is in the midst of near three thousand pounds a year he had by his lady. ***

There is a failure here in the human condition that should be manifest.

*The stockholder in a modern corporation does not usually participate in production, but someone must attend, but the landowner, qua landowner need not. If a company occupying a site on a prosperous avenue in Manhattan, for example fails, the landowner loses nothing. He merely exacts his land rent from the succeeding occupant.

Atheneum, Grt. Brit., 1977, p.119. *Journal to Stella (1711, i, 326) as quoted in the previous reference, p. 196.

It is sometimes said that the lord of the estate must have always kept the interest of his tenant in mind, since he was the source of his income. The clear historical fact is that he seldom took the least interest in the welfare of his tenants, but even this so-called interest diminished as prices fell, as they often did. We need only cite the history of the irish famines to establish the landlord-tenant relationship and to assess the benevolence of the earthholder. And what conceivable interest in the land rent lessee would the lord of the soil have today, whether his parcel is located in the countryside, suburbia or in the center of civilization? The nature of his property does not permit any sentiment or self-interest attachment, whatsoever, to the tenant.

But the early eighteenth-century country gentleman, inured to the complaints of "his" people (and they were his people, because their very livelihood depended on "his" land) often lived beyond his income, and suffered much himself, but not from overwork on his estate.

In times of war emergency the central government acted for the people and recognized the community's right of eminent domain over all land and imposed a land tax. "...some gentlemen were paying twenty percent of their net income to support what many thought was an unnecessarily long and expensive Whig war." * This right of the people was never emphasized by Defoe, as far as I can discover.

At times, however, Defoe manifested an awareness of the non-contributory nature of the rentier:

Even if he could not improve his income, a sensible gentleman could go back to his estates 'til time and his real estate will redeem him. **

That is to say, time, not the effort of the lord of the soil, is the engine of increased land values and rents. He need only wait and the efforts of others will shortly fill the earthholder's coffers.

*World of Defoe, p.198. **Ibid., p.198, the quote is from Defoe.

But a clearer understanding of the prevailing view, and surely that of Defoe, concerning income from land and the acceptance of a principle of property for this factor, is found in Crusoe's explicit statements as to "his" island, as we have seen previously and which he maintains to the end of his sojourn and thereafter.

The island, says Crusoe, is "the estate Providence had thus put into my hands." At one point he muses, "how like a king I looked. First of all, the whole country was my own mere property, so that I had undoubted right of dominion. Secondly, my people [Friday and others as they came to the island] were perfectly subjected. I was absolute law and lawgiver...."*

His right of dominion, he assumes, is based on first occupancy, a right seldom recognized when a large influx of people come to a sparsely inhabited land-space. The Europeans invading North and South America recognized only that nature was for "the usufruct of the living," as Jefferson put it, though force was imposed to maintain this position. If it had been universally accepted that the earth --not improvements--was the common heritage of mankind, no forcible measures would have been necessary, but "... 'tis never too late to be wise." **

Crusoe echoed the prevailing view and practice that allowed the non-productive earthholder to siphon off a large portion of the production of capital and labor. It was not clearly seen that income should justly rest on one's mental and physical exertion only. The principle of property, though not explicitly stated, of our time is, in its essence, identical with Defoe's.

Crusoean Land Policy and the Modern World

Crusoe's assumption of total power follows Defoe's sacrosanct conception of property rights. Crusoe, following

*Crusoe, p.278 and p.235. **Ibid., p.171.

this concept, appropriates all the products of his labor, aided by capital, and holds the island against all others who may arrive. This was and is the way of the world. If the population of the island increased greatly, all who wished to remain would have to give up to Crusoe a portion of their production or funds in the form of land rent. If production mounted, land values would rise and the rise in land rents would relegate the increment to the "king." No one could, indeed, live or breathe on his assumed domain, except by his permission. The option, under this absolute right of Crusoe to every square inch of the soil, would be to bow or emigrate. Inheritance would continue this arrangement, if Crusoe so chose.

Is not this the essential practice of centuries on Manhattan Island as the descendants of John Jacob Astor, the Goelets, Trinity Church and other earthholders draw off the production of an increasing population? Do not the Bedford heirs, the Westminster and Cadogan families and all the earthholders of London do the same? Is not this a principle of property followed by many nations of the world today? Shall it be the international land policy for Antarctica, for the sea and seabed, for the moon and the planets, when they are fenced off by the ubiquitous private landowner? Would not poverty develop in paradise under this regime?

Manhattan Island: A Case in Point

In the light of our economic analysis of the isolated Crusoe, let us examine in some detail the economic development of Manhattan Island.

If it is maintained that the few Indians who occupied Manhattan Island before the Dutch came have original rights of possession, their descendants have the present right to claim all land value increments, created by the presence and activities of the community, since the Europeans arrived. All

land value increments engendered by governmental and private efforts: All roads, water mains, railroad beds and subways; all sanitation, medical and police services; in short, all mental and physical exertions of producers and their government (made possible by taxing production) would accrue, under this principle of property--the rights of the first occupant--to the indians who could trace their ancestral line back to the original population of Manhattan. But, though logic would infer this, in practice only the increase in land values due to the communal effort is claimed in the so-called right of original occupancy.

The precedence of the indians, however, may be questioned because of the well known purchase of the island by white settlers. Does the right of all land value increments therefore devolve on them? Or since, by legal or paralegal processes, parcels of land came into the possession of private individuals, is it acceptable that they should have drawn off the productions of generations of men? And are their descendants to be permitted to exact the same?

Our principle of property denies this right. All production belongs to the producers, none to the non-producing earthholder. The current private tax of the earthholder shall devolve on the community and all current governmental taxes on production shall be removed.

Give labor a free field and its full earnings; take for the benefit of the whole community that fund which the growth of the community creates and want and the fear of want would be gone. The springs of production would be set free, and the enormous increase of wealth would give the poorest ample comfort. Men would no more worry about finding employment than they worry about finding air to breathe; they need have no more care about physical necessities than do the lilies of the field. The progress of science, the march of invention, the diffusion of knowledge, would bring their benefits to all. *

To drive the point home(perhaps ad nauseum) we repeat:

*Henry George, in his Progress and Poverty, fiftieth anniversary edition, Schalkenbach Foundation, 1948, p. 461.

Our principle, of course, would apply to London, Paris, Rome and, indeed, all cities, countries and continents; to the sea and seabed and Antarctica; the moon and the planets beyond.

An Adamantine Mind-Set

Some years after his departure, Crusoe returned to the island. However, his mind-set, essentially reflexive, not reflective as to his relationship to this land-space, had not changed:

Here I stayed about twenty days
...I shared the island into parts with
them, reserved to myself the property
of the whole, but gave them such parts
respectively as they agreed on...and
the fellows proved very honest and dili-
gent after they were mastered and had
their properties set apart for them. *

It must be remembered that "the fellows" had the same mind-set as Crusoe and "knew their place." They acquiesce in the absentee lord of the soil's assumption of the total power of land distribution. And this power was assumed from the day Crusoe first set foot on the island and was to continue forever, world without end. Under this principle of property, a metropolis of vast proportions and all the beings, human and non-human, would come under the sway of Crusoe and his descendants. Submit or depart, live under Crusoean economic absolutism or die, if there is no escape. Democracy may prevail politically, but all land income will be relegated to the Crusoean estate. No factory, warehouse, service industry and, indeed, all producers of products or services, who are direct users of land can escape this private land impost. Though there are many land-owners, this principle of property operates today in most political entities.

Ian Watt, in his essay Robinson Crusoe, has this view of Crusoe's island experience:

*Crusoe, p.298. This the last page of the book. Defoe's support of the lord of the soil was maintained to the end.

"...it merely happens that the island offers the fullest opportunity for him to realize three associated tendencies of modern civilization--absolute economic, social and intellectual freedom for the individual." * That is, if he remains alone. We have shown that if the Crusoean principle of property prevailed, in an inhabited island of considerable population(or even one plus Crusoe)"absolute economic, social and intellectual freedom," would not be the lot of all. There is no escaping this conclusion. No production can be carried on without land, and, indeed, life is impossible without it--the lord of the soil will always exact his rent if permitted to do so, to the detriment of production and the producer.

Conclusion

Our principle of property is clear: Substance shall not be put out to private hire; that is, land value rentals should be collected by the community. Property in commodities, based on exertion, are just holdings and can be disposed of as the producer sees fit, even to a prodigal son. Current governmental taxes on production can be removed. As these weights become less and production increases enormously, land rents will mount. A point will be reached when all present taxes on production can cease. Enterprise will flourish in all directions and the demand for labor will be far above the supply, and wages in general will rise far above the subsistence level--involuntary unemployment will then be at a minimum.

If the reader has a clear conception of the principle of property that has been offered, he will see that Crusoe-like lords of the soil are a detriment to material progress. Their private taxes added to governmental taxes comprise a double-taxation that stifles enterprise and thereby lessens employment and forces wages to the subsistence level.

Freed from the earthholders exactions, the entrepreneur will augment his capital(his plant and equipment, for example) and provide jobs far beyond current imaginings.

*In Daniel Defoe, A Collection of Critical Essays, Ed. by Max Byrd, Prentice Hall, 1976, p.52.

The lords of the soil will also benefit by living in a society where crime, violence and disease will greatly diminish. They can also engage in a productive effort. Indeed, they will be forced into production: Government land value rentals or taxes will see to that. He will then add to land values and be a boon to the community. The lord of the soil and his Crusoe-like mentality will then be gone and true material progress will commence. It need not then be said that "the interest of the landlord is always opposed to that of the consumer and manufacturer." *

We must move in the direction of our principle of property and recast the science of economics in theory and practice. The present malaise in the economic departments of academe and government, in thought and action, requires this ordering principle and from this "right action will follow." **

What change may come, no mortal man can tell, but that some great change must come, thoughtful men begin to feel. The civilized world is trembling on the verge of a great movement. Either it must be a leap upward, which will open the way to advances yet undreamed of, or it must be a plunge downward which will carry us back toward barbarism. ***

Robinson Crusoe or his descendants would become aware as time went by that the island "near the mouth of the great river of Orinoco" was under a more potent force than the Crusoean estate, that a change had come that would bring into question the absolutism of his land tenure. He would be confronted by the eminent domain rights of the people of Venezuela. The community would have come to collect its land rent, and, if sufficiently enlightened, would set a land value tax or rental at the full annual rental value of the island, and thus the Crusoean lordship would cease. Then the way would be opened "to advances yet undreamed of", and society would not be carried "back toward barbarism."

*David Ricardo, The Principles of Political Economy and Taxation, Everyman Libr. ed., p.225. **A Georgian tenet.

***Henry George, Progress and Poverty, p.543.