

to the tune of "Auld Lang Syne" runs as follows:

"God opens out His mighty hand,
And showers his blessings wide;
He never made this glorious land
To pamper rich men's pride.
Give back the rights upon the land
Our fathers had of yore;
We'll be content with nothing less,
We ask for nothing more."

Another to the tune of "Johnny Comes Marching Home" contains this:

"What'll you hear about to-day
The Land! The Land!
We hope there's something good to say.
The land! The Land!
The landless man for the manless land:
A programme you can understand,
And it's Land! Land! Land! Land!
Give us our right to the land!"

Two hundred and fifty years ago Gerrard Winstansley (and there sat at the table one who has told the story with loving pen) was persecuted by the government of his day for these self-same doctrines now spoken in the presence of the Prime Minister and re-echoed by him in words of grave eloquence. How the Surrey Hills must have leapt!

J. D. M.

THE NATURE OF CAPITAL.

(For the Review)

BY E. J. SHRIVER.

By a single paragraph the *Public* in a recent issue made a statement of the evanescence of what we commonly call capital, which for conciseness can scarcely be equalled, and is well worthy a most thoughtful consideration. So firmly has capital as a concrete working force been grounded on economical discussion, following the definitions by Adam Smith and John Stuart Mill, that it rarely occurs to anyone to question its accuracy. Radical and conservative thinkers alike magnify its importance,—the one on the Socialistic extreme thinking the control of machinery (or what Mill called "fixed" capital) as the essential element in the distribution of product; the other as the exponent of vested rights, claiming that those who have saved and accumulated concrete wealth are justly entitled to the lion's share of the world's daily produce as their reward. And between these two extremes, the everyday man, who rarely attempts to think at all, as well as the would-be economist of the daily press, who only thinks he thinks, is firmly convinced that he who saves and stores is the common benefactor;

ignoring or ignorant of the fact that communal saving is a practical impossibility, however beneficial individual saving may be to the individual.

For the law of nature is that nothing can abide. The condition of existence is that birth, growth, death and reproduction must succeed one another in endless chain. There are comets which take myriads of years to complete their orbits; there are satellites of the planets which circle about their central point in a few hours. So do some things last longer than others, but the same inexorable law applies to all, and of the products of human mind and brain the percentage of those which endure more than a brief period is the smallest.

Most of us have favorite pieces of furniture which we prize because they are old, and coddle and pet and often repair them, thereby in reality reproducing them; but if we try to dispose of them to others we rarely find, except a fad may intervene, how little of real value is left. Here and there an old building stands, only to emphasize the fact that of this apparently most permanent expression of human labor a brief span is its limit. But when we come to the actual tools of production it is almost astonishing how quickly they are used up, and how almost more quickly they are antiquated, so that they must be replaced, and when we consider such things as are created to consume, such as food-stuffs or wearing apparel, all which comes within the Adams-Mill definition of capital, their life is even briefer.

In reality, all that the world as a whole stores is knowledge. One man may produce more in a day or a year than he consumes himself, either directly or through exchange with other producers, but he in reality lays by nothing in any broad sense. He may benefit himself thereby, but he does not benefit his fellows. By refraining from the consumption of all this product, he simply acquires a title to the future product of the labor of others. Were he to spend instead of saving, in other words demand in exchange for his excess product, which he cannot store but must perforce transfer to some one else, a similar value of that other person's product, he would create a demand that would afford a stimulant for increased effort and with a broader distribution of results, would correspondingly increase the sum of human comfort.

What we ordinarily call saving indeed, is after all only indirect spending; and to the careful analyst nothing illustrates this more clearly than the recent revelations about how the insurance funds were used. With marine or fire insurance the conditions are such that each year the income about equals the outgo. In essence, what we do on these classes of insurance is each to contribute to a pool sufficient to liquidate the current losses. The principle of life insur-

ance is the same ; that every insurer who is not swindled, or does not swindle somebody else by his lusk in one of the fortunate tontine schemes, gets back if he lives out his expectation of life and no longer, just as much as he pays in, plus interest and less expenses. But the term over which life insurance runs is much greater than that of the other classes, and so the apparent accumulation of savings is much greater.

But what the moderately poor man, who in the aggregate is by far the largest policyholder, really does is to forego day by day, week by week, month by month, the enjoyment of that which he produces, for the sake of being guaranteed, not by the company but by his fellow insurers ; but if he lives out his expectation of life he will get it all back again, and if he dies sooner that they will contribute to turn over the entire estimated product to his heirs. What product he relinquishes in this way is not stated however. If honestly administered it is turned over at once to other laborers by hand or brain to support them while creating new forms of wealth—in themselves perishable, but for the time being useful as the means of further production. Administered as the revelations show it has been too often, the laborers to whom a great part of the so-called "savings" are given for sustenance devote their time to the making of objects of luxury, to be enjoyed by those who control the manipulation of the funds, in which we express their savings.

Not that this diversion is made directly. In these instances of high finance with which we have all been made so familiar of late, the process has been a far more intricate one—so intricate indeed as often to deceive, we may well believe, even the master manipulators themselves as to exactly what does happen.

The policyholders transfer little to the product from consumption of which they have refrained to the insurance companies ; which "invest" it by passing the title along to other corporations or individuals whose function it is to act as captains of industry, and who give in exchange certificates of indebtedness of one kind or another. These last, the actual employers, turn over to the real workers (whether the chief engineer of a railroad for instance or the humblest Italian workman who labors with a pick), the "saved" product, for their sustenance while creating new forms of wealth ; which no matter how substantial however, are essentially ephemeral, and worth creating in almost exact proportion as they may serve toward still further production. When we build a great railroad for instance, we do not create a monument that is to last forever, but merely construct a tool that begins to deteriorate almost before it is completed.

Following out this claim, it is easy to see how it is not "capital" which carries out vast undertakings—that builds our railroads,

our ships, our skyscrapers even ; but the daily labor of hand and brain, constantly renewing and replacing itself. It is as if the policyholder or the petty investor of any kind, whose small contributions make up the great mass which the bankers gather together into an imposing total, should hand over direct to that other set of workers who carry out the ceaseless progression of industrial force, that portion of product, immediate consumption of which is refrained from, and taken back a little to call on the shipper by the railroad, the tenant of the office, for a proportionate share of *his* earnings derived from use of the new tool. That there cannot be in practice so direct an exchange—that there must be the genius for assembling the productive forces goes without saying, and here the true banker who is not a mere employee of the master of financial juggling, seems a high purpose ; but it nevertheless remains true that it is not a concrete mass of accumulated capital which does the world's work, but the daily and continuous effort of the world's workers.

If the financial kings used their great mental capacity wholly to facilitating this exchange of product from worker to worker—as they unquestionably do in great part—no evil could result ; but outside of their legitimate toll, through many devious methods, they levy tribute as bad as that of the old robber barons. The product of the trusting policyholders in our great life insurance companies, instead of being passed along to other workers to use in new productions of which the policyholders would get the benefit, less a reasonable percentage, has been to a very great extent and still is, largely directed to maintaining labor to produce results which accrue only to the financiers. And as if to heap insult or injury we are told that it is the financiers who have added this daily increment to the total sum of human compacts ! So far has the confusion of thought gone indeed, that only a few days ago the Census Bureau issued a statement of the country's wealth in which the largest item was land values, absolutely of no creative force in itself and representing only the power of some men to levy tribute on the labor of others. Carrying out the foregoing reasoning for instance, when one man abstains from consuming a portion of his product and gives it to another for the capitalized value of a piece of land, he gives him title to demand labor from still a third man absolutely without having rendered any equivalent, and yet purchaser of the land comes into possession of the power to command similar service for its use. The recipient of the price may throw into the sea the goods which in essence constitutes the payment, when all real wealth concerned in the transaction will disappear, yet according to the Census Bureau the wealth originally created would remain.

E. J. SHRIVER.