tions. President Elliot is as amiable in his feeling toward individual workingmen as the president of Princeton in the 50's was toward individual slaves; but as the latter stood by the institution of chattel slavery so the former stands by the institution of economic slavery.

One of the best utterances in connection with the growing Irish agitation was made in Chicago on the 23d by Michael Davitt when he said that "those who own the land of a country will own its government, too, either directly or indirectly." Those words truly diagnose the political troubles in Ireland. So long as British landlords own Ireland, there can be no government of Ireland by the Irish people. Unfortunately the agrarian change now likely to be made is not from ownership by British landlords to ownership by the Irish people. It is from ownership by British landlords to ownership by Irish tenants. The old tenants are to become the new landlords, and consequently the governors of Ireland; but the working class among the Irish will be no better off than before. Individuals among them may become landlords, but as a class the working people will have no rights to the land of Ireland and therefore no real voice in its government.

The New York Nation sees in the late elections a notice to the Democratic party that "in order to retain the confidence of the country, it must address itself to the questions of social injustice and class favoritism which are pressing for solution." Yet the only Democratic leader of national prominence who has been addressing himself sensibly and effectively to those questions—Tom L. Johnson, of Ohio—is stupidly and falsely, not to say maliciously, discredited by the Nation in the same article as "grotesque," and the progress he has manifestly made it slurs over.

According to the Appeal to Reason, the socialist paper of Girard, Kansas, the Socialist vote at the recent elections numbered 400,000. Accuracy in the use of figures is not the Appeal to Reason's strong suit, but this estimate may nevertheless be approximately correct. It is unwise, however, to boast of elections results so obtained. They are the aggregate of the highest votes cast for local Socialist candidates, votes which were influenced by all sorts of local and personal considerations, and therefore do not stand for a party vote at all. Consequently the vote for president two years hence is almost certain to fall below these results, in which case the Socialist vote will then appear to have sagged.

In a small way the local Single Tax party of Chicago has undergone this experience. Notwithstanding that there is a strong single tax sentiment in Chicago, this experiment in third party politics made the poor showing of only 500 votes at its first trial. At the second its vote increased 100 per cent., which indicated, simply as matter of percentage, an early triumph. This indication was emphasized at the third trial, when, by dint of computing the votes for local candidates, an aggregate of nearly 2,000 was footed up, making another increase of 100 per cent. But at the recent election that vote fell as much as 50 per cent. or more. This is in accord with the general experience of permanent side parties. And in the end they reach the condition which is exemplified by the Prohibitionists, who, in spite of a tremendous prohibition sentiment that might be utilized as a faction in the old parties, putter along year after year with a toy party, a play campaign, and a microscopic vote.

In his speech at Memphis last week President Roosevelt referred to the Filipinos, saying that they were "wholly unfit to govern themselves." That is what the British said of the Americans 125 years ago. Its falsity was demonstrated in both cases. In that of the Filipinos the records at Washington prove that they had been peacefully and successfully governing themselves for months before the late President McKinley, without warrant or excuse, declared war against them and turned their peaceable country into a veritable hell upon earth.

Again, in the same Memphis speech, President Roosevelt said that "if we had left the Philippines there would have been a brief period of bloody chaos." All the established facts indicate that this is a false inference. But even if not, pray how could the chaos have been bloodier than that long continued chaos and slaughter which President McKinley precipitated when he demanded that the Filipinos abandon their peaceable government and submit to American subjugation? Mr. Roosevelt's persistent assertions, so transparently false—as false as his assertion in Cincinnati that the Standard Oil trust and the anthracite trust have no tariff protection—make it progressively harder to ignore the fact that his looseness of statement is becoming as notable as the strenuousness of his life or the elasticity of his political principles.

AN ECONOMIC SURVEY.

Having in a previous article (p. 517) cut through the layers, as it were, of economic phenomena, from money, down through trade, value, serviceability and wealth to labor and land; and having then suggested that from the fundamental starting point so secured these steps might be retraced and the way be more minutely surveyed, we purpose now to make that survey—not fully, not elaborately, but with sufficient minuteness, we trust, to verify our assertion that economic problems otherwise perplexing may be easily and accurately surveyed and solved by means of the one great economic landmark—the primary fact that all Wealth is produced by Labor from Land.

I.

Let us begin the survey with a somewhat more extended examination into the economic characteristics of Land, which, as we have seen, is the sole condition of the economic processes that Labor at any time generates or maintains.

Land is the storehouse of nature from which man draws all his supplies, and the one foundation upon which he rests all his structures. It includes everything except the human family, and such objects as the human family have altered in condition so as to adapt them to human desires. Not only the soil, but the water, the atmosphere, the sunlight, building sites, railway sites, mineral deposits, forests, and even the birds of the air, the fishes of the sea, and the wild animals that roam the earth, are included in this economic category.

It may seem absurd to designate animals and water and air and sunlight as "land," a term habitually associated with the soil and used in contradistinction to air and water. But we are not now considering physics or natural history. The subject of our inquiry is the economic relations of the human family to its environment. We must distinguish things, therefore, by their economic peculiarities.

For that purpose some term having no colloquial connotations might be much better than "land;" some word meaning, for example, "material environment" or "earth chance." But one word will do as well as another if we are careful to think of it in the sense in which we agree to use it.

As printers speak of the "chase" without thinking of hunting, and of the "hell box" and the "devil" without alluding to theology, so in economic matters may we speak of "land" without limiting our meaning to what the farmer means when he speaks of plowing land, or the sailor when upon sighting a shore line he announces the fact with a "land, ho!" or the ocean traveler when he puts his foot upon the dock and tells you he has landed. We use it as a technical term to distinguish sharply from all other things the natural environment of the human family. As all must agree, man has a natural environment without which he could not work, could not produce satisfactions, could not live at all,—an environment which is to his life of wonderful variety what bodies of water are to the simple life of fish and the upper air to that of birds. This environment includes every natural thing that man needs, ranging from air to breathe to all the matter and all the forces of nature, including animal life, which he may alter in condition so as to adapt it to the satisfaction of any of his desires. For convenient reference to that environment, some simple technical term is needed, and the one with which political economists have long been familiar is Land.

This, as already explained, is the sole passive or responsive condition of economic processes. No economic process is possible without it. It always has been, is now, and, though human achievement accomplish untold wonders, always must be, one of the only two indispensable factors of producing satisfactions for human desires.

Any other conclusion is unthinkable.

II.

Without Labor, however, Land would yield no artificial object. Labor is the other indispensable thing.

As Land is the passive or economic condition, so Labor is the initial economic force. It is Labor applied to and operating upon and in conjunction with Land that causes every other economic process.

Or, to put the same thought in another form, it is by means of the energies of man, mental and physical, applied to and operating upon and in conjunction with the material energies of his natural environment, that all artificial satisfactions of human desires are produced.

For Labor, like Land, is a technical term of political economy, and as such must be understood more comprehensively than in common speech. It designates human energies, mental and physical, in so far at least as they are devoted to economic processes. So it comprehends all serviceable work — of mind or muscle, with skill or without, as hired man or "boss;" and whether on farms or in factories, out upon the sea or down in the mine, up in the high stories of sky scrapers or away from civilization in the depths of primeval forests, in the hospital or the pulpit, at the bar or the easel or the teacher's desk, in store or warehouse or railroad train or street car or public office. All service is Labor, whether it be a service rendered directly, like that of the barber who shaves you, or one rendered indirectly, like that of the mechanic who impresses his energy upon matter, thereby producing exchangeable objects. Wherever or however human energy responds to the cravings of human desire, the expenditure of that energy for that purpose is Labor.

III.

When this application of the energies of man to his natural environment produces substantial results, those results are distinguished by the technical term Wealth.

Wealth is drawn from external nature by man, who, by changing natural materials in form or place or both, produces such artificial objects as tend to satisfy human desire. In technical phrase: from Land, Labor produces Wealth. To call in the aid of metaphor: as father to mother and children to parents, so is Labor to Land and Wealth to both.

Among the distinguishing characteristics of Wealth is its tendency to revert. Not only does it consist of artificial objects produced by man from his material environment, but with use or lapse of time it loses its artificial quality and passes back again into the great reservoir of matter and force whence it came. A loaf of bread is Wealth. So were the flour of which it was made, the wheat from which the flour was ground, and all the artificial implements which were utilized to bring the grain to fruition, to grind the flour, to bake the bread, and to transport grain, flour and implements in the form of a loaf of bread to the consumer.

In raising the grain, agricultural implements were subjected to a "wear and tear" which returned them in degree to the natural reservoirs of supply; while the seed, produced by previous effort, was wholly returned. In grinding the flour, milling implements were returned in degree by their "wear and tear"; and so with baking implements and transporting agencies. At last the bread itself is eaten, or wasted. In either case, it also returns to the natural sources.

What is thus true of bread and its artificial constituents is true of all other artificial objects. Sooner or later, and with most of them much sooner than later, all artificial objects revert to their original economic condition as part of the natural environment of man.

In technical phrase, therefore, not only is all Wealth produced by Labor from Land, but in natural course it all tends to pass back into Land

This is the never varying result of economic processes.

But why do men produce by Labor from Land artificial objects, or Wealth, if those objects inevitably go back to Land again? Simply, as we have already casually observed, because the consumption of those objects, which is one of the ways in which they revert, satisfies desire.

Consuming bread satisfies a desire for food; wearing out clothing satisfies desires for covering and ornament; occupying houses, driving horses and carriages, carrying a watch, wearing a jewel, and so on, satisfy other desires. Men systematically produce these things because consuming them gives satisfaction.

It is not because the labor of producing them is itself a pleasure. On the contrary men instinctively shrink from systematic labor for its own sake. Under an obvious natural law—that is, a law of human nature—men instinctively seek the satisfaction of their desires in the easiest way. Their object is to get the most and the best with the least effort. This is the natural law that inflicts upon us predatory crime when it is perverted, but blesses us with labor-saving invention when it operates normally.

Translated into economic terms, that law, the most fundamental of all the laws of political economy, would read: "In producing Wealth from Land, Labor seeks the easiest way—the line of least resistance."

IV.

Since production is irksome and Labor instinctively seeks the line of least resistance, the things it produces must either have, or seem to have, the power of giving some kind of satisfaction, else it will not produce them. That is to say, Wealth, must possess the quality of Serviceability. It must be capable of serving some purpose, of ministering to some desire, whether good or bad, doubtful or indifferent. Wealth adapted to serve normal human wants, giving no one pain in order to give others pleasure, may be distinguished as useful, that is, as possessing the quality of utility. Bread would come in that category. But Wealth adapted to serve the purpose of giving pleasure or satisfaction to one by giving pain to another (such as instruments of torture), is lacking in the quality of utility. Nevertheless it may be accounted as serviceable in the restricted sense of the term. It serves a desire.

Serviceability is exhibited in two general aspects. An artificial object may be serviceable in satisfying desire directly; or as a tool or material in aiding to produce such objects.

A loaf of bread upon the table satisfies a desire directly. It appeases hunger. But wheat, flour, agricultural implements, mills, cars, wagons, ovens, warehouses, etc., the various artificial materials and artificial implements whereby the loaf of bread is produced to the table of the consumer, these do not satisfy desire directly. They are artificial means whereby objects that do satisfy it may be realized.

These two kinds of Servicability give distinctive character to the articles of wealth to which they respectively attach. For the articles of Wealth which have the kind of Serviceability that satisfies desire directly, are finished; whereas those that do so indirectly, or mediately, something yet being necessary to be done to give them final Serviceability, are unfinished.

Bread in the possession of the consumer is finished. But wheat, flour, ovens, cars, and the other materials and mechanism for making bread and delivering it to the consumer, and also the bread in the store, are in the other category. Something remains yet to be done by Labor before they have the final kind of Serviceability. To the degree, therefore, that they are used in or are devoted to satisfying the desire for bread, they are unfinished bread.

With reference to its economic Serviceability, then, there are two kinds of Wealth, namely, Finished and Unfinished. This distinction is important, as we shall see when we get back to Trade, for in Trade it is unfinished wealth that constitutes Capital.

V.

Value as well as Serviceability attaches to Wealth. Since artificial objects, or Wealth, have Serviceability—are capable, that is, of satisfying desire—they have possibilities of Value. But they do not for that reason alone actually exhibit Value. This appears only when they are scarce. They must be scarce as well as Serviceable.

If artificial objects could be produced by simple fiat, they would have as much Serviceability as if produced laboriously; but they would have no Value, because they would never be scarce. But why wouldn't they be scarce? Because their acquisition in abundance by everybody would be irksome to nobody. Inasmuch, then, as man is not endowed with magical power; as he cannot say "Let there be bread!" and there is bread; as, on the contrary, every artificial object is produced only at the expense of human exertion, often severe, and always irksome if frequently repeated—this being the commonplace fact, artificial objects are always scarce except as irksome labor modifies their scarcity. Consequently all the elements of the Value of Wealth spring from Labor. As the application of Labor invests objects with Serviceability, so the irksomeness of Labor invests their Serviceability with Value.

Even to Robinson Crusoe, alone upon his island, this phenomenon of Value was present, though he might not have recognized it by name.

He certainly would have valued more those of his artificial possessions that would have cost him great exertion to replace, than those that would have cost him less. The point is admirably made by Henry George at page 248 of his "Science of Political Economy." Referring to Crusoe, he writes that the essential idea of Value—

> would be brought out in his mind by any question of getting or saving one of two or more things. Of several things to him equally useful, which he might find in the wreck of his ship, or on the shore line under conditions which would enable him to secure but one; or of several equally useful to him, which were threatened by a deluge of rain or an incursion of savages, it is evident that he would "set the most store" by that which would represent to him the greatest effort to replace. Thus, in a tropical island his valuation of a quantity of flour, which he could replace only by cultivating, gathering and pounding the grain, would be much greater than that of an equal quantity of bananas, which he might replace at the cost of plucking and carrying them; but on a more northern island this estimate of relative value might be reversed. And so all things which to get or retain would require of him toil, would come to assume in his mind a relation of value distinct from and independent of their usefulness, a relation based on the greater or less degree of exertion that their possession would enable him to avoid in the gratification of his desires.

. . . In the last analysis, value is but an expression of exertion avoided.

The last sentence of that quotation furnishes probably the most exact explanation of Value to be found anywhere in the books: "an expression of exertion avoided," an expression, that is, of Labor saved. It throws a bright light upon the whole subject of economic Value, whether of artificial or other objects, making it perfectly clear why some things are more valuable than others, and why the degrees of difference are so numerous and extreme. It is not the Labor saved-up or stored in an object, but the Labor to be saved or avoided by possession of the object, that gives it Value; and degrees of Value are regulated by the degrees of Labor to be saved by the objects, respectively, to which Value attaches.

Primarily, the objects to which Value attaches are artificial—those objects distinguished as Wealth. This is because such objects are primarily non-existent. They come into being only through Labor, which must be exerted to remove the natural scarcity; and since that exertion is irksome, its results are valuable in the degree that they will serve to save the possessor further exertion.

But secondarily, Value attaches also to natural objects—those distinguished as Land. It does so only secondarily, because primarily Land is not non-existent. On the contrary, primarily it is superabundant. But when some parts of it yield easier returns to Labor than other parts, those parts are capable relatively of saving Labor. Consequently, if such Land is scarce it becomes valuable; and the degree of its value is in accordance with the degree of Labor it is capable of saving its possessor.

VI.

Such being the nature of Value, nothing but a peculiarity of Labor not yet considered, is necessary to cause Trade.

This peculiarity is best known as Division of Labor, though the better term is Cooperation. It results from the law of human nature already mentioned, that men satisfy their desires in the easiest known way.

Evidently a larger general result, a greater volume of Wealth, can be produced with less Labor if some men work regularly at one or some parts of one thing, and others at other things or some of their parts, than if each man works at everything. If, for instance, armies of workmen devote their time and energies to preparing leather, separate groups doing over and over again some particular act in the process from raising the cattle to tanning; if other armies, also divided into specialized groups, turn the leather into shoes; if still others do the transporting and others the storekeeping, while others divide up into groups to make and maintain the machinery, and so on, more and better shoes will be made and brought to market than if each of these men were to devote the same energy to all the processes of making and delivering shoes. And this is true of all artificial objects. It is, therefore, economical to make and deliver Wealth by the process which should be known as Cooperation. but is known as Division of Labor.

This process may be observed in two aspects. Sometimes men literally divide their effort, to produce results which would otherwise waste time and energy. Thus, two men having two errands each to do, two to the eastward a mile and two to the westward a mile, will do them easier and quicker if one attends to both in one direction and the other to both in the opposite direction, than if each does one errand in each direction. By dividing their effort, they economize time and energy. The other aspect of Division of Labor is exhibited when men join their efforts to produce results which none of them could accomplish alone. Thus our two men could build two houses, each of which would be better than either man could build alone. So Division of Labor means not only division, but also union, of labor; which is in itself a good reason for preferring the term Cooperation.

Now the things so done would, as we have seen, have Serviceability. Otherwise they would not be done—certainly not systematically and regularly, which is of the essence of political economy. These two houses, for example, would serve to live in; and if bread were the object of two of those errands and meat of the other two, the meat and bread would serve for food.

Having Serviceability, under circumstances which would enable their possession to save necessary Labor in order to satisfy want (which implies Scarcity), they would also have Value. The Value of the houses would be greater than that of the lumber, etc., which would be greater than that of the timber, etc., because each in order when in possession would be to that extent a labor-saver. So of the bread and meat. After being brought to the central point—where they were desired, else the errands would not have been done—they would have more Value than before the errands, because they would save the Labor of bringing that much bread and meat to that point to satisfy the want which caused the errands to be done.

We now have a grasp of the conditions of Trade.

To recur for illustration to the example: When these houses are finished, their possession will save equal Labor. Consequently, they have equal Value, and the two men will exchange their respective undivided interests equally. Each will swap his undivided interest in the house he gives, for the other's undivided interest in the house he gets. So each comes to own, as the result of his own labor, a whole house, which neither is capable of building by himself.

Likewise with the errands. When they are done, the two men have at the central point, where they are wanted, two loaves of bread fetched a mile from one direction, and two pieces of meat fetched a mile from another. As the possession of either loaf will save further Labor in equal degree, they have equal Value. Similarly of the pieces of meat.

But how much Labor would each loaf of bread save over and above its cost at the mile-away bakery? Obviously not more than a two-mile walk. Precisely so with the pieces of meat. Consequently, as a rule, no one would give more for either than the equivalent of a two-mile walk. Therefore, the man who fetched the bread would trade his extra loaf for the other's extra piece of meat, and vice versa, provided each had cost the same at the point from which it was fetched. If either had cost more at that point, the men would adjust that difference and then trade even.

Now, it is the same in principle whether two men do each other's errands and swap the results, thus securing bread and meat with an economy of Labor; or whether two men help build each other's houses and swap their Labor interests therein, thus securing better houses than either can build; or whether millions upon millions of men help get one another's bread and meat, help build one another's houses, help make one another's clothes, help furnish one another's luxuries—in a word, contribute to the making and delivery of every variety of artificial objects, by cooperatively dividing and uniting Labor and swapping the resultant Wealth. The principle is identical.

It is by means of this Division of Labor that the social body economizes Labor in the production of Wealth, and it is by means of this swapping that the Wealth which Labor draws forth is distributed. The whole process of making and swapping is Cooperation or Division of Labor and Trade.

Whoever gets any species of Wealth in free exchange for his Labor has in effect produced the thing he gets. It is the same in principle as if he had made it himself; for, exchanges being voluntary and in free conditions, the Value of what one gives is as a rule the equivalent in Value of what he gets.

It is a mistake to suppose that the individual can no longer rightfully own any kind of Wealth because he no longer completely produces any kind. When the Value of what he contributes in Trade to the volume of Wealth in one form is equivalent to the Value of what he draws in Trade from the volume of Wealth in other forms, it cannot be fairly said that he has no moral or economic title to what he draws out.

As we have already found, there are two kinds of Serviceability—mediate and final, a flouring mill being typical of the one and a loaf of bread in the larder of the other. We have distinguished them as Finished and Unfinished wealth. It is only in conditions of Trade that this difference becomes important. For it is only in those conditions that the two different kinds of Utility fall into different ownerships.

In Trade, however, unfinished Wealth, that is Wealth having distinctively mediate or indirect Serviceability as distinguished from final, the Serviceability of the mill in contradistinction to that of the loaf of bread, does become a distinctive class of property. Whereas Robinson Crusoe, of Selkirk's firm island in the sea, was only one individual and owned in common, so to speak, all his Wealth, unfinished as well as finished, tools as well as final satisfactions, the Robinson Crusoe of Galileo's floating island in space, is composed of millions of individuals, some of whom own one kind of unfinished Wealth, some other kinds, and some others still, and all own, in greater or less degree, at least now and then, a supply of finished Wealth. When unfinished Wealth is thus differentiated by Trade into a distinctive class of property it is known as capital Wealth—for short, Capital.

Other things are often called Capital. But it is technically wrong to call them by that name, or else it is wrong to call this by it; for they and this are absolutely different as economic facts. Money, for instance, is not Capital. The fact that it will trade for Capital does not make it such, any more than the fact that a new pair of shoes will trade for a five-dollar greenback makes them money. Though money may represent Capital, it is itself something else. Neither is a building site Capital, nor a mineral deposit, nor any other natural object. Natural objects are distinguished as Land. In a slave country slaves might be called Capital, but they are not. Slaves are workingmen. They are therefore distinguished as Labor. Capital is the distinctive term for that form of Wealth (which means artificial objects adapted to satisfy human desires) that has mediate or indirect as distinguished from final Serviceability. It is Wealth which is not yet in the hands of the consumer; Wealth which is, therefore, in the economic sense, unfinished.

Out of this segregation of Capital Wealth from Final Wealth, arise the problems with reference to interest, or the so-called earnings of Capital.

These problems are too much involved in confusions of Capital with things that are not Capital, to admit of examination in this general survey of first principles. It will be enough here to say that inasmuch as Capital is a class of Wealth, and all classes of Wealth are produced by Labor, the earnings of Capital, if such there be, must be earnings of Labor. They therefore belong, in fairness, to whoever has either made the earning Capital with his own labor or acquired the ownership of it in free exchange, Value for Value, for what with his own labor he has made.

This brings us to a consideration of the earnings of Labor in conditions of Trade, for which Wages is the technical term. But as "wages" means colloquially only the hire of certain classes of subordinate workingmen, another caution is necessary. Since Labor comprehends all human effort, whether of brain or muscle, in producing satisfactions for human desires, and not merely hired labor, so the compensation for Labor comprehends more than the pay of hired laborers. That proportion of the whole volume of Wealth that flows to Labor as its share is what is meant by the technical term Wages.

If Labor were the only factor in the production of Wealth, that is, if human exertion could create artificial objects out of nothing, needing neither raw materials nor standing room nor natural environment of any other kind, then all the Wealth created would go to laborers as Wages in return for their expenditure of effort in producing it. In other words, Wealth and Wages would then coincide. The non-laborer would take nothing except by theft or as a voluntary gift from his toiling brethren.

But Labor cannot create Wealth. It can only produce or draw forth Wealth from external nature—from Land. It must go to Land alike for materials and implements and final product—for capital Wealth, as well as final Wealth,—and to Land also for a working place.

Yet so long as there is no scarcity of the best quality of requisite Land, it is the same with reference to compensation as if no Land were needed. For one place being as good as another, and every place offering opportunity in excess of the need, there would be no premiums for place and the entire product would go to Labor in the form of Wages. Wealth and Wages would still coincide.

But with scarcity of better places, there enters in the possibility of diverting some proportion of Wealth, or premiums for place, to another category than Wages. This proportion is classified apart from the rest, because it represents the economic difference, or saving of Labor, which the better but scarce sites offer over the abundant but poorer ones. The term for that class or category is Rent, which means, of course, not what tenants pay to landlords for real estate, but what can be exacted for Land as distinguished from real estate—what can be exacted for superior places. It is in this manner that land acquires Value, the Rent of Land and the Value of

Land being but different manifestations of the same economic fact, Land Value is only the capitalization of land Rent.

Rent attaches to Land as Wages attach to Labor. Consequently the laborer on a specially desirable and scarce site may differentiate his Rent from his Wages by transferring his land, or, he may have it differentiated against his will by expropriation.

When this is done we have that most fundamental phenomenon of Trade, the distribution of artificial objects, or Wealth, into two categories: Wages, which is all the Wealth that remains after what is due to the advantages of exceptional and scarce places has been deducted; and Rent, which is the proportion of Wealth that is due to the advantages of those places. This primary division is regulated by the competition of laborers for Land.

A secondary division, also regulated by competition, divides Rent among land owners in proportion to the value of their Land, respectively, and the Wages fund among workers in proportion to the value of their services respectively.

As Labor becomes more and more productive of Wealth exceptionally desirable Land becomes relatively more and more scarce; consequently the Rent fund tends to increase side by side with the Wages fund.

This makes it highly desirable to own such Land. For one may thus satisfy his wants with least exertion or with no exertion at all; a patent fact which generates a tendency to monopolize Land in advance of general need for it, with the expectation or hope that it may come to command exceptional advantages for Labor—that a city may spring up near it or on it, or a mine be discovered under its surface, or a farming population grow thick in the region. But this tendency has the effect of lessening the general market supply of Land, and thereby, so to speak, of inflating or watering Rent.

Now, Rent proper, represents a normal advantage. It does not press upon the Wages fund, but equalizes Wages up to the standard of Labor done without peculiar advantages of place. Laborers thereby get equal returns for equal work, regardless of location.

But the "water" in Rent does make a pressure upon Wages. It can be traded for Wealth only at the expense of the Wages fund. This is the condition when most of the Land having superior Serviceability is monopolized. Rent, expanded by "water," presses more and more upon the Wages fund until that fund is so compressed that Labor refuses to continue production for the abnormally reduced compensation. Then the "water" bag collapses. When this happens we call it industrial depression; and we call the readjusting process "hard times."

Taxation may play an effective part in the economic pressure of "watered" Rent upon Wages.

If trading transactions are taxed, the Wages fund will be diminished, and Labor thereby weakened so as to be able all the less to resist the pressure of "watered" Rent,—the political moral of which would seem to be that trading ought to be exempt from taxation.

If the owning of Land having Value (which is the equivalent of Rent-yielding power), is taxed, the Rent fund will be diminished, thereby weakening the force of its pressure upon Wages, — the political moral of which would seem to be that such land owning ought to be taxed.

Either Trade or Land monopoly may be diminished by taxation to a far greater extent than the amount of the tax. This may happen if trading is so heavily taxed that it is checked, or land monopolizing so heavily taxed as to be discouraged. In comparing these differing effects of taxation it might be wise to observe that trading serves mankind best when it is not obstructed, and that land monopoly does not serve mankind at all.

As Labor can use Land effectively without owning it or hiring it, doubtless the ideal adjustment of land tenure would be one under which men would refuse to take title save for occupancy and use.

This can be best secured by taxing Rent into the common purse, which by removing temptations to forestall Land, would at once let out the "water"—and keep it out. There would thus be left no other motive for seeking title than desire to use.

It would be ideal also in this, that it would leave to Labor in the Wages fund for competitive distribution, the earnings of individual effort, while taking for Labor in the Rent fund, for public or common use, the undistributable earnings of social effort as an indivisible whole. Wealth would then coincide with the sum of two kinds of earnings,—Wages, or the distributable mass of individual earnings; and Rent, or the undistributable mass of social earnings.

The nearer this distribution is realized, the nearer do we approach the economic ideal.

VII.

Coming now back again to the surface where our exploration began, we are again confronted with the phenomenon of Money.

In the concrete Money is a token of Trade.

For a metal disc called a cent we get a stick of candy, and the storekeeper passes the disc on to others in exchange for whatever he wants—maybe two sticks of candy, to be sold again at a profit. We may do the same thing in larger transactions with a silver dime, or quarter, or half, or dollar, or with gold coins or paper money. All these are tokens of trade, which close transactions and leave no obligation behind.

But comparatively little of the world's trading is done by the actual passing of such tokens. Checks and drafts, which are orders upon bookkeepers directing them to shift credits upon their ledgers, are used for the most part. Yet Money terms are retained, checks and drafts being drawn and all commercial books being kept in the language of Money. It is characteristic of trade that the terminology of Serviceability, as pounds and ounces, or feet and inches, or quarts and pints, is translated into the terminology of Value, as francs and centimes, or pounds, shillings and pence, or marks and pfennigs, or dollars and cents.

Consequently, confusion of thought often arises.

It is said that some man is worth a million dollars, and the imagination pictures him as possessing that much Money. But he has nothing like it. What is really meant is that he has property the value of which is equal to a million dollars of Money.

This use of Money terms for measuring property is a prolific cause of crooked thinking regarding economic relationships. It confuses just and unjust property in a bewildering muddle.

When we say that two men are each worth ten thousand dollars, we think of their property rights as identical.

Yet the property rights of the one might be utterly indefensible, while those of the other might be wholly unobjectionable. Could we examine their inventories we might find that the one owns thousands of dollars' worth of slaves (who are in justice entitled to own themselves); thousands of dollars' worth of private taxing power (which is a privilege of extortion); and thousands of dollars' worth of land (which is a common inheritance); while the entire fortune of the other might consist of buildings, machinery and the like (which are justly his if he has made them himself or has swapped his labor for them directly or indirectly to their makers). These fundamental, moral and economic distinctions are covered up by the use of Money terms for indiscriminately measuring Serviceability in Trade.

For that reason it is necessary to examine, as we have done, into the nature of Trade, where the language of Money prevails; to probe Value, which makes Trade possible; to consider Servicability, upon which Value rests; and to analyze Wealth, which embodies Serviceability. Having done that, we find that Wealth, from which spring all these phenomena—Serviceability, Value, Trade and Money—is the product of Labor applied to Land.

We are therefore able now clearly to see that the justice of any property right, though its Value be expressed in terms of Money regardless of its economic character, depends at last upon its relations to Labor and Land. These things lie back of all kinds of "vested rights." And they determine infallibly whether any of these rights are just or unjust.

For there are two ways, and, broadly speaking, only two, whereby man enslaves his fellow man. He may do so by acquiring "vested rights" in Labor, which enable him to compel workingmen to work for him. This is called chattel slavery. Or he may do so by acquiring "vested rights" in Land, which enable him to deny life to workingmen unless they work for him. This is called land monopoly. In the one case the slavery is active; in the other it is passive.

In either there may be great varieties of form. Ownership of Labor does not consist alone in title deeds to slaves. Any taxing power for private profit is of the same nature. It compels men to give up part of their earnings for nothing. Neither does ownership of Land consist alone in the title deeds to particular parcels of earth laid off by metes and bounds. All franchises, as a street car privilege, a railroad right of way, dock privileges, or the like, are in their nature the same. The essence of slavery, active or passive, is in every one of them.

"Slavery," some one has said, "is the sum of all sin." He only put into other phrase the sentiment of St. Paul: "The love of money is the root of all evil." To love money and not the earning of it, is to love slavery.

And that is the sum and substance of all economic problems and of all civic morality.

EDITORIAL CORRESPONDENCE.

Cleveland, Nov. 21, 1902.—No one in Cleveland, Senator Hanna least of all, believes that Tom L. Johnson was "snowed under" at the recent election.

In the initial Democratic campaign of the State under his leadership, with a radical platform and a radical candidate, with only himself and Bigelow to lead in the speaking, and all the plutocratic and spoils hunting Democrats of the State against him, as well as some of the largest corporate interests of the country, the count for Bigelow foots up 350,000 votes. Nor is that all. In the northern counties in which most of the campaigning was done, the Democratic gain was over 10,000. Even that does not sum up the gain. In the Congressional district reserved by the Republicans in their gerrymander for their Democratic coadjutor, "Doc." Norton — the tax lawyer and land expert of the B. & O. R. R.—while Norton's majority is normally 6,000, Johnson's campaign against public officials who, in their official capacity, serve the corporations that employ them, instead of the people that elect them, defeated Norton by 600 for Congress, while carrying the district for Bigelow for secretary of state. One other fact must not be forgotten. In Cuyahoga county, where Johnson and Hanna live, which was strongly Republican until Johnson came into Democratic leadership there, and where Hanna made his most desperate fight, Bigelow's plurality was 2,500, though the Democratic candidate for governor last year had a plurality of only 115. In the city of Cleveland itself Bigelow's plurality was 5,000. Under these circumstances Senator Hanna is far from easy in his mind regarding the municipal election next Spring, when Johnson will doubtless be a candidate for reelection as mayor.

Mr. Hanna is preparing for a desperate struggle. He is endeavoring to bring together Republican factions by a judicious distribution of the numerous places which his new municipal code has provided; and in addition to this political wire pulling he is centering the interest of the great money-grabbing elements of Wall street upon this Ohio city, with assurances that the one thing needful to all monopolistic combinations is the destruction of the dreadful Johnson.

Whoever imagines that the victory over plutocracy is to be an easy one, makes a monumental mistake. If that were true it would have been won long ago.

The new municipal code does not take effect until Spring, when the first elections under it are to be held in all the cities of the State.

This code was made necessary by the attempt to thwart Mayor Johnson's policy of equal taxation and three cent fares on street cars. Under Mr. Hanna's patronage, and through the attorney general whom he nominated and controls, an ouster suit was brought against the city of Cleveland on the ground that its charter was invalid as special legislation. This charter had been passed by a Republican legislature, and had been in unquestioned force 11 years. The attorney general refused to bring a similar suit against the city of Cincinnati, which also had a special charter, but where the city government was subservient to the corporation ring. In the suit against Cleveland the Supreme Court of the State declared the Cleveland charter invalid, but in doing so laid down principles which invalidated every city charter in the State. Hence the necessity for a special session of the legislature and the enactment of the municipal code which is to go into effect in the Spring.

Meanwhile, the court had granted a stay of proceedings in the Cleveland suit, which leaves the officers of that city free to administer its affairs until Spring as the officers of the other cities are doing—under its old charter.

Accordingly, Mayor Johnson pro-