

P R E F A C E.

THIS volume contains the substance of four lectures, delivered in Harvard University in May, 1883. The lecture-form, and also, so far as possible, the lecture-tone, have been dropped in preparing the work for the press, while some matters of detail have been added, which neither time nor the conditions of oral delivery allowed to be introduced on the former occasion.

The author is aware that he is regarded by his American brethren as somewhat heretical in the view he takes of the relations of wages to the interest of capital and to the profits of business management, which view may be summed up in two propositions, namely:—

1st. Under perfect competition, the laborer would become the residual claimant upon the product of industry,¹ the amount to be deducted on account of rent, interest, and business profits being subject to definite principles, and, consequently, all gains in productive power would, upon this condition, inure directly to the benefit of the laborer. 2d. With imperfect and unequal competition, the economic harmonies do not prevail, the laborer surely losing his interest if he does not himself seek his interest. All economic injuries inflicted in the distribution of wealth tend, moreover, to abide and to deepen, while industrial society itself, as a whole, suffers in the ultimate result, through the reaction of distribution upon production.

But while the author of the present treatise thus fails to satisfy the requirements of economic orthodoxy, in regard to the relation of wages to the interest of capital and to the profits of business management, he is, in his view

¹ For the elaboration of this proposition, the author would refer to pp. 265, 266, of his Political Economy.

of the origin of rent and its influence upon the distribution of wealth, a Ricardian of the Ricardians, holding that the great thinker who has given his name to the economic doctrine of rent left little for those who should follow him to do; and that any wide departure from the lines laid down by him can only result in confusion and error.

The author is well aware that the tone of his allusions to Frédéric Bastiat will grieve many of the American admirers of that most ingenious, eloquent, and sentimental essayist; but it seems full time that the plain truth regarding Bastiat's theory of value, whether as applied to land or to commercial products, should be spoken out on this side the water, as it was long ago, in England, by Professor Cairnes. In his power of raillery and sarcasm, in the gracious charm of his narrative, in the purity and earnestness of his philanthropic purpose, Bastiat cannot sufficiently be admired; but as a constructive economist he made a dead failure, while his views regarding the land are especially erroneous.

For the spirit in which he discusses the views of a writer who deliberately proposes that Government shall confiscate the entire value of landed property, without compensation to those who, under the express sanction and encouragement of Government itself, have inherited or bought their estates, the author has no apology to offer. Every honest man will resent such a proposition as an insult.

BOSTON, October, 1883.

