

THE CENTENNIAL MAGAZINE.

VOL. I.

JULY.

No. 12

THE DISTRIBUTION OF WEALTH.

BY SIR S. W. GRIFFITH.

The question was, what they would do when capital was constantly accumulating in greater masses than ever in single hands, whereas labor was growing poorer, and there were more thousands, more millions, of men growing up who had no property, and who were not sure that their labor could be brought to the market at all. There was a problem which nobody had yet solved, which would be the agony and the struggle of the next generation, and of generations after them.—(ARCHBISHOP OF YORK at the Annual Meeting of the York Association for the Care of Young Girls).

I.—EXISTING FACTS.



It has been said that Political Economy is based upon the assumption that man is a money-getting animal. The remark is probably true, so far as regards the matters with which the majority of writers on Political Economy ordinarily concern themselves; as if the "Wealth of Nations" consisted in the accumulation of what is called Wealth, and not in the well-being of the individuals who compose the nations. But I conceive that few who have given attentive consideration to the phenomena of modern civilisation can fail to agree with the views of the Archbishop of York as printed at the head of this article. The problem of the modern Sphinx, which imperatively demands solution, with the old alternative of destruction to those who are called upon to solve the riddle and fail to do so, is not how to make money, collectively or individually, but how to secure such a distribution of wealth as will give to every man a fair share of prosperity and happiness.

Of course, to those who think that what is right, and that there is no problem to solve, no imminent danger of a sanguinary upheaval brought about by a blind and passionate resolve that the conditions of life shall, somehow, be made less unequal, all speculations on such subjects are idle and dangerous. Unfortunately, there are such

persons—people who say: "What more can the working classes want?" "Have they not higher wages than they ever had before?" and so on. But this article is addressed to those who, with the Archbishop of York, recognise the fact that there is something radically wrong in the present system, under which capital is constantly accumulating in greater masses than ever in single hands, and who desire to find a remedy for the evil.

One or two preliminary remarks may be necessary to meet objections which, although they may appear trivial, are constantly met with. In the first place, I am not now concerned with existing accumulations of wealth in private hands, but with the distribution of wealth to be hereafter produced. Some people appear to regard every attempt to investigate these questions as revolutionary—as being Communism, or what they call "Socialism," in disguise. This reluctance to consider the subject appears, by the way, to suggest an uneasy sense that the means by which they have acquired their present possessions will, somehow, not bear scrutiny. However that may be, we are now concerned, as I have said, with the future.

In the next place, it must be admitted, at the outset, that any inquiry into a more equitable mode of distribution of wealth assumes that the present mode is, or may be, inequitable. Now any change which will give a larger or fairer share to one class of those persons amongst whom new wealth is now distributed must, necessarily, give a smaller proportionate share to the other. The total which will fall to the latter class may or may not be diminished—it probably will be—it may even be increased, if improved methods of production are brought into play, but their proportion of the aggregate will be less. Those persons, therefore, who object to the vested "rights of property" or "rights of capital," as they are pleased to

describe the existing system, being interfered with, must be left out of account so far as any help is to be looked for in the present investigation.

These propositions may appear truisms, and so they really are. But they are, unfortunately, not universally recognised as true. It has been my constant experience to meet with well-meaning persons, professing the most liberal views and the warmest sympathy with the improvement of the condition of the people, who, as soon as they find that their share of the future earnings of the community may be diminished by any change, at once withdraw their sympathy, and show themselves to be at heart Conservatives, and, perhaps, unconsciously, worshippers of the great god Mammon.

Starting then with the assumption that there is something wrong in the present system of distribution of new wealth, the first step in the inquiry is to ascertain exactly what is the present system, and how it comes about that the larger share of the new wealth which is produced gets into the hands of a few persons, who, for the most part have not contributed, at any rate by any individual effort, to its production.

Confusion often arises in discussions on these subjects from a want of a clear understanding of the terms used. For instance, the term "Capital" is used in various senses—nearly always as excluding land. Its common acceptation may, perhaps, be expressed as "accumulated savings derived from the products of labor, and available for new production." In the language of ordinary conversation, however, the term "Capital" is practically used as including all possessions of a tangible form, whether they consist of land, goods, money, or any other commodity of which the possessor can make use. In this sense the term is used in contradistinction to "labor," *i.e.*, the application of men's energies to inanimate or unintelligent objects, by which new objects of value are produced.

For the purposes of the present inquiry, I submit that this division is sufficient, and is not scientifically inaccurate. For all new objects of value are produced by the application of human labor to some previously existing object. The two factors, then, in the production are the previously-existing object and the labor. It makes no difference to this argument that the previously existing objects may be of widely diverse character. They all have the same note of being inanimate or unintelligent, by which they are differentiated from the other factor—human intelligence or labor. I do

not forget that from many points of view property in land differs from all other kinds of property. All existing wealth has undoubtedly been derived, directly or indirectly, from the application of labor to land. Moreover, all new wealth must, directly or indirectly, be derived from the same source. But in the existing state of civilisation it is surely a mistake to refuse to regard any other forms of property, such as money or machinery, as real and important immediate factors in the production of new wealth. Their possessors, at any rate, claim, and, I think, rightly, that these forms of property contribute to that production. To what extent their claims should be regarded in comparison with those of the possessors of land, and how far the latter should be regarded as entitled to special consideration, or obnoxious to special treatment, are questions of vast importance, but not, I think, immediately material to the present inquiry. I cannot help thinking, indeed, that there is a real danger of a practical solution of many pressing problems being delayed by a desire to insist on the immediate application of first principles, which, however sound, have been so long departed from that they cannot be enforced all at once without something in the nature of a revolution. I repeat—we are not dealing with an ideal system of ordering the affairs of men, but with a pressing problem arising under existing circumstances, and which I believe may be solved peacefully.

To return from this digression. I include, for present purposes, all forms of property to which labor can be applied under one head, which may be called "Property," or "Capital," or "Wealth." The term used is immaterial, so long as it is used in the same sense throughout the argument. Possibly "Wealth" may be the term least open to confusion. On the other hand is "Labor," in which term I include all modes of exercise of the human faculties, whether intellectual or manual, having for their object the creation of new or additional wealth or new forms of wealth. This definition of course includes labor applied for the purpose of the transport of any object to a place where it will be of more value than before, and all the labor of those persons who are sometimes called distributors.

We can now ask the question: "How is new or additional wealth produced?" There is only one answer—By the application of labor to already existing wealth. It may be necessary to anticipate an objection that some new wealth is produced of the spontaneous action of nature, as in the case of the growth

of trees or the multiplication of the latter case, however, consideration that, but man, the increase would of marsupials or rabbits, case will fall for the same head.

The production of new wealth, and the destruction of some of the old, such as the food of the people, the wear and tear of machinery, the waste parts of raw materials, in the event of the new wealth being in value the prevailing one, together with that which is destroyed in the process of its production, is made to the good of the community. There is, perhaps, some confusion in the use of the word "labor," which seems the only convenient term to add to the stock of wealth, no addition to the stock of wealth, nothing to distribute, and new wealth can take place, such additions to the previously existing wealth, to private hands can come from manifestly the source, and the new wealth from which private fortunes are derived.

If, then, there is anything wrong in the present system of distribution of wealth, the evil, or error, must be in the nature of the distribution.

Now, it at once occurs to me that, in the case of the subject, even causing the previously existing wealth to increase itself. The new wealth was, then, the human intelligence or energy, *i.e.*, labor. The question is, "In this process of production, are the respective contributions of the previously existing property, and of the labor, (including, as I have already said, every one who has applied his physical faculties to the production of new wealth, or to its transport, where its value is to be increased by the contribution of the possessor, is at most, passive. He is not doing anything in his possession to increase the value of applied labor. He may be also contributed with his brain, to the product. If he has been a laborer and is entitled to a share of the production as such.

But, in many instances, the contribution he has made with his

of trees or the multiplication of animals. In the latter case, however, it will be seen on consideration that, but for the intervention of man, the increase would be as valueless as that of marsupials or rabbits, while the former case will fall for the most part under the same head.

The production of new wealth involves the destruction of some wealth already existing, such as the food of the laborers engaged, the wear and tear of machinery, and the loss of waste parts of raw material. And it is only in the event of the new form of wealth exceeding in value the previously existing form, together with that which has been destroyed in the process of its production, that any addition is made to the general stock of wealth. There is, perhaps, some danger of confusion in the use of the word "new," which, however, seems the only convenient one to denote the addition to the stock of wealth. If there is no addition to the stock, there is, of course, nothing to distribute, and no accumulation of new wealth can take place. It is only from such additions to the general stock of previously existing wealth, that accumulation in private hands can come about. They are manifestly the source, and the only source, of the new wealth from which interest, profits, and private fortunes are derived.

If, then, there is anything wrong in the present system of distribution it is here that the evil, or error, must be looked for.

Now, it at once occurs to anyone considering the subject, even casually, that the previously existing wealth was unintelligent, and did not (with the apparent exception already noted) increase itself. The efficient cause of the new wealth was, therefore, clearly, the human intelligence or energy applied to it, *i.e.*, labor. The question then suggests itself. "In this process of production what are the respective contributions of the possessors of the previously existing wealth, or property, and of the human laborer (including, as I have already said, in that term every one who has applied his mental or physical faculties to the production of the new wealth, or to its transport to the place where its value is to be estimated). The contribution of the possessor, *quâ* possessor, is at most, passive. He has allowed the thing in his possession to become the object of applied labor. He may, of course, have also contributed with his hands, or with his brain, to the product. If so to this extent he has been a laborer and is entitled to consideration as such.

But, in many instances, the only contribution he has made with his brain has been the

exercise of his volition to allow his property to be worked upon for wages. It may be as well to point out at this stage that the case of those persons who receive interest for money invested upon loan is no exception to the general case under consideration. In order that the borrower should be able to pay the interest, he must convert it, directly or indirectly, into some form of wealth to which labor can be applied so as to produce an additional value, of which a part goes to the lender under the name of interest. In such cases as these the contribution of the lender appears to be absolutely passive.

If, then, the contribution of the possessor of the raw material, *quâ* possessor, is passive, the only active contribution to the production of the new wealth is that of the laborer or laborers. The number of laborers who have so contributed may vary indefinitely. There is a great difference between the building of a boy's punt and the building of a modern ocean mail steamer. But it is a difference of degree, not of kind. The operation in each case is the application of labor to already existing wealth. In the one case the only labor is of one pair of hands, belonging probably to the same man who supplies all the intellectual faculties that need to be exercised, while in the other the labor includes the exercise of a variety of skilled and trained naval architects, engineers, superintendents, and organisers of labor. But in both cases it is the labor that has produced the new wealth, if any there is. The same statement is true in every other case.

Now to whom under our existing social system does this new wealth go? Practically, it all goes to the possessor of the material to which the labor was applied—that is, to the person whose contribution was passive, and not to the man or men whose labors alone were the active contributions to its production. This may be disputed, but a little consideration will show that the statement is strictly accurate. Possibly the matter may be simplified by using the term "profits" to signify the new or additional wealth that has been produced by the application of labor to the inanimate material. It will scarcely be disputed that, at any rate, all the profits, in the ordinary meaning of that term, go to the possessor of the material. In the case of the punt, the workman gets his wages, and all the new value, if any, added to the planks by his labor, *i.e.*, the profit, goes to the possessor of the planks. In the case of the ship, the laborers and workmen of various

classes get their wages and salaries. But, as in the other case, all that remains after payment of the cost of production, goes to the owner of the property to which the labor is applied.

Under the system of—so-called—free competition, the wages of labor are practically fixed at the necessary cost of the maintenance of the laborer during his labor. Now, as the new or additional wealth or profit consists wholly of the surplus value, over and above the original value, after payment of the cost of production, it is plain that the laborer's wages, if they are fixed on this basis, include none of it. In the case of laborers of the higher class—that is, laborers whose labor is of an intellectual kind, such as superintendents and scientific engineers, it may be that their remuneration is more than the cost of their subsistence, although this, also, is mainly regulated by competition. So far, however, as their pay is more than the cost of their subsistence, a part of the new value produced goes to them. And this is an apparent exception to the general statement. But it is manifest that the dangers and difficulties arising from the unequal distribution of new wealth do not arise from these exceptional cases. The contrary is evidently true. It is also manifest that the wages paid for this skilled and highly-paid labor are part of the expenditure without which the new wealth would not have been brought into existence. They do not, therefore, include any part of the new wealth which goes to the possessor of the material.

With respect to the possessor or employer, if he has himself exercised his intellectual or physical faculties in the production, and has not received any special and definite payment for so doing, the new value or profits will include, or will be, his remuneration for his labor. But it will be observed that it is only in the case where the employer has so exercised his faculties that any deduction has to be made from the profits by way of reward for labor. In all other cases, and in this case, to the extent to which the profits exceed a fair reward for the exercise of his faculties, the whole of the profits go to the passive contributor, and not to the active one.

We have thus arrived at this result—that when the reward of labor is only equivalent to the cost of the maintenance of the laborer, the whole of the new wealth goes to the passive contributor to its production; and that when it exceeds that cost the laborer only shares in the new wealth produced by his labor to the extent by which his wages exceed the cost of living. Now, as in the great majority of cases, (indeed in

all cases in which combination amongst laborers has not affected the result,) the system of competition does, in fact, fix the rate of wages at the cost of subsistence of the laborer, we may lay down this general statement of the existing rule or system of distribution of new wealth—that new wealth practically goes to, and is divided amongst, the possessors of the inanimate material, and that at most an inappreciable share of it goes to its actual and intelligent producers. The latter class, however, form the majority of the community, and from their exertions the means of subsistence of the whole community are derived.

Why then should they have no share in the profits? Should not the question rather be, *primâ facie*, why should they not have all the profits? And how has it come about that the contrary rule is of almost universal application in civilised communities?

II.—THE CAUSES.

Although few persons now care formally to deny the "self-evident" truth that all men are created equal, and endowed by their Creator with the inalienable rights of life, liberty, and the pursuit of happiness, I fear that, in practice, the doctrine is still far from receiving unqualified acceptance. It is certain, at least, that, during the greater part of the time of which history gives us any information, the practical rule of life has been that men are not by birth free and equal. And, even now, it is doubtful whether a majority of men do not actually and formally disbelieve in the theory. Yet, the truth may be truly described as self-evident. And it is the fundamental truth on which rest all the natural rights of persons. Is there any similar fundamental truth in relation to things? It is the fashion to talk of the rights of property. But, accurately speaking, I conceive that it is only of men that any rights can be predicated. The so-called rights of property are the rights of persons in relation to property. What, then, is the origin and foundation of such rights? The original property was, I suppose, the surplus product of primitive man's labor, which he had remaining, as a surplus, after providing for his maintenance during the time while he was engaged in producing it. (I leave out of consideration, as not immediately material, the question of the right of private ownership acquired by appropriation of the gifts or products of nature). In this primitive state of society it was, no doubt, soon recognised that the products of a man's own labor belonged to himself.

Now I venture to rule was the expression or law of nature, while the rights of persons as the law of equality persons with respect reason can be urged more than against the isolated or simple rule mends itself to ever fair. But in the course of civilisation it is no more than the rule of persons endeavor to trace back these two complex overlaid and obscure Russian peasant truth is a self-evident Englishman it is that profits go to the that it is only from be derived. Does capital earns interest of property enable working himself and other people, or, as ride on other people

The law of persons gave place, as we to the rule of the subjection differing stances, and its seen in the system which one man a were considered We fondly flatter abolished this rule So, perhaps, we have rights of persons, certain that we have far as regards the respect to things? freedom was first was the rule of per products of a man Surely, in exactly man became possess property—no matter some special advantage that he was in a position to give him a share labor, by way of course of time the developing itself course of slavery, came natural and proper part of the order whole or a part man's labor should another.

Now I venture to believe that this primitive rule was the expression of a fundamental truth or law of nature, which bears the same relation to the rights of persons with respect to things as the law of equality bears to the rights of persons with respect to one another. What reason can be urged against it *à priori*, any more than against the rule of equality? In any isolated or simple instance it, even now, commends itself to every man as obviously right and fair. But in the complex condition of modern civilisation it is no more recognised in practice than the rule of personal equality. I propose to endeavor to trace briefly the manner in which these two complementary truths have been overlaid and obscured, so that, just as to a Russian peasant the supremacy of the Czar is a self-evident truth, so to the average Englishman it is a self-evident proposition that profits go to the owner of property, and that it is only from property that profits can be derived. Does not everyone know that capital earns interest, and that the possession of property enables a man to live without working himself by means of the work of other people, or, as Count Tolstoi puts it, to ride on other people's shoulders.

The law of personal equality and freedom gave place, as we know, almost universally, to the rule of the strongest, the degree of subjection differing according to circumstances, and its greatest effacement being seen in the system of chattel slavery, under which one man and all belonging to him were considered the property of another. We fondly flatter ourselves that we have abolished this rule in the British dominions. So, perhaps, we have, so far as regards the rights of persons, *quâ* persons. But is it certain that we have abolished it at all, so far as regards the rights of persons with respect to things? We know how the rule of freedom was first broken through. How was the rule of personal proprietorship in the products of a man's labor broken through? Surely, in exactly the same manner. One man became possessed of land, or some other property—no matter how—which gave him some special advantage over another, so that he was in a position to compel the latter to give him a share of the products of his labor, by way of rent or tribute; and in course of time this system, existing and developing itself concurrently with the system of slavery, came to be considered as the natural and proper one, so that it seemed part of the order of the universe that the whole or a part of the produce of one man's labor should be at the disposal of another.

In both cases the rule in actual operation was the rule of the stronger. And, in both cases, the propriety of the system came to be regarded as self-evident. This I believe to be the true history of the practical disappearance from our accepted code of right and wrong of the maxim, that to every man belongs the product of his own labor. I am aware, of course, that this argument is inconsistent with many commonly received notions as to property, as to which I have a few words to say in passing. But, in the first place, I will ask my readers to bear in mind, throughout, the continuous analogy that is to be observed in the development of the rules of society with respect to these two sets of natural rights, the rights of men to their personal freedom, and the rights of men to the products of their own labor.

It was soon found that the enjoyment of any man of absolute and untrammelled freedom to do what he pleased was inconsistent with the claims of others to do the same. So laws came to be made for what was regarded as the common good, laying down the rules by which men were to be governed in their relation to one another as members of a community. In the same way it was found that the possession of property, and the pleasures and advantages that could be derived from it, led men to desire its acquisition, and afterwards to desire to transmit it to their children. And it was also observed that the desire to possess wealth was an incentive to industry, and operative, in many respects, for the good of the community. For a long time, however, it was almost universally thought to be dishonorable for a man to acquire a profit by lending his money at interest—usury, as it was called—while he did nothing towards earning that interest. But the right of personal ownership, first, of the products of a man's own labor, then of things for which he exchanged those products, then, probably, of things given to him by his ancestors, came to be generally recognised, and so, by degrees, there arose a code of rules regulating, for the common convenience, men's dealings with one another with respect to property. It should not be forgotten that the right of free disposition of a man's possessions, after his death, is by no means of universal acceptance. At the present time, the greater number of civilised nations only allow this right of disposition within certain limits defined by positive law.

As was lately pointed out by Lord Chief Justice Coleridge, the laws of property are merely a conventional arrangement established by nations in accordance with such principles as, from time to time, seem most expedient

and advantageous for the community at large. And, as he also points out, the same authority that established these arrangements may, from time to time, alter them, if a change appears to be beneficial. The only underlying rule of natural right appears to be the fundamental truth already stated, that the products of a man's labor are his own. All beyond this is conventional and arbitrary. And so far as any further rules, whether formal or merely embodied in practice, are not inconsistent with this rule of natural right, it is entirely a matter of expediency what particular rules should be adopted. But, if in any particular the arbitrary or conventional rules infringe the law of natural right, the penalty for the infringement must be paid by the community. In this, as in all other cases of breaches of natural law, nature is inexorable.

How far, then, have we departed from this principle in the existing system of distribution of new wealth? Some will say, "Not at all," and they fancy that they give a triumphant answer to such idle enquiries, by pointing out that when they have hired a man's labor the products of that labor belong to them, just as much as any other commodity which they have bought and paid for. Of course, if this is the true view of the case, the answer is complete—unless we are prepared to deny to a man the right to buy what he pleases with what is rightfully his own. And for the purposes of this argument, dealing with the present and the future, and not with the origin of the wealth which we assume to be his own, the source of his wealth is not material. But can a man's labor be, properly, and in conformity with the two laws of natural right above stated, said to be the subject of sale or purchase? If so, why not for his whole life, and why should it not, like any other commodity, be dealt in by other persons than himself? That, however, is slavery, in one form or another, which we all agree—with our lips—that we have abolished. But I conceive that the true view is that a man's labor is not something outside of himself, but is part of himself, and cannot properly be the subject of sale. At all events such a transaction can only be supported if the seller and the purchaser are dealing on perfectly equal terms.

Another answer may be given: Why should not a man agree in advance that the products of his labor shall belong to another in consideration of an agreed price, to be paid to him in the form of wages? I know of no reason why he should not, provided that the bargain is entered into freely between two persons

equally free to contract. But, if they are not equally free, this bargain, like any other obtained by undue influence, is open to be impeached in the forum of morals and of natural justice, if not of law. Whichever of these views of the hiring of personal labor is accepted, the question always arises: Does such a freedom of contract actually exist?

Before dealing with this question it may be as well to notice for a moment the argument that the capitalist (as in this connection the possessor of wealth is usually called) is really a benefactor to the laborer, as he provides him with a means of earning a livelihood, without which he would, or might, starve. It is sometimes put as high as to say that the capitalist actually provides the wages, and that they are paid out of capital. This argument has, however, been so completely refuted, and it has been so clearly shown that the wages are paid, not out of capital, but out of the produce of the labor itself, the capitalist, at most, advancing the wages, and sometimes not even doing that service, that it does not demand any further consideration. It may be observed, however, in passing, that the acceptance of this argument would give rise to some very inconvenient questions as to the means by which some men have become so powerful that they can thus, at will, exercise the power of starvation, or assume the part of a beneficent Providence to others.

Now, it is notorious that there is not, ordinarily, any such equal freedom of contract between the employer and the employed, except in communities which are thinly peopled, and where the demand for labor tends to exceed the supply—which are just the communities where the evils of unequal distribution of wealth are not very noticeable. In other cases a measure of freedom of contract has been obtained by combination on the part of the laborers. This very combination is an effort of strength put forth against the other party to the bargain, who, but for the combination, (and sometimes in spite of it), would be the stronger.

It cannot be seriously contended that the rate of wages is, in fact, regulated by any calculation on the part of the laborer of the value of the product of his labor, and a voluntary, free, and deliberate, appraisal and sale of that product at its fair price. Of course, in the existing complexity of the system of industrial production, any such direct calculation would not, and, indeed, could not, be made. But I maintain that no such idea enters into the process by which the rate of wages is fixed. It is, indeed, now almost universally admitted that the prac-

tical law governing, already pointed out to approximate tistence.

The cause of this essentially unequal distribution of wealth is stronger; the weaker party has, means of livelihood which the stronger that we are led irre that, just as the equality gave pl strongest, which dev a similar process, u of industrial prod of personal ownersh sonal labor is, as a only the exception regarded in bargain the production of n human labor.

In short, the rule one form is slavery, ship of men by men appeared from our abolished its most o apparent manifestati part of the practical

The natural, and i of the retention by t possessor of already even of a preponde wealth produced by cost of subsistence o increase his possessio or little to the poss The condition of t hand, is continually teriorating, absolutel his standard of living the influence of comp not material for th employer is the actu of the wealth from w of labor, new wealth he merely has the co laborer the result is t

The foregoing arg the principal causes c tion of wealth, and of ing inequality. The is, of course, another so far as regards the p we are dealing. The as must naturally, and the causes which ar they have followed. remedy?

tical law governing the rate of wages is, as already pointed out, that they continually tend to approximate to the bare cost of subsistence.

The cause of the adoption in practice of this essentially unsound basis is that the possessor of wealth, the employer, is the stronger; the contract is not free, and the weaker party has, in order to procure the means of livelihood, to accept the terms which the stronger party chooses to give. So that we are led irresistibly to the conclusion that, just as the natural law of personal equality gave place to the rule of the strongest, which developed into slavery, so, by a similar process, under our modern system of industrial production, the natural law of personal ownership of the products of personal labor is, as a general rule (and with only the exception already pointed out), disregarded in bargains having for their object the production of new wealth by means of human labor.

In short, the rule of the strong, which in one form is slavery, or the practical ownership of men by men, has by no means disappeared from our social system. We have abolished its most objectionable outward and apparent manifestation, but it still exists as part of the practical rule of life.

The natural, and indeed, inevitable result of the retention by the employer, that is, the possessor of already existing wealth, of all, or even of a preponderating share of, the new wealth produced by labor over and above the cost of subsistence of the laborer, must be to increase his possessions, while it adds nothing or little to the possessions of the laborer. The condition of the latter, on the other hand, is continually and progressively deteriorating, absolutely as well as relatively, as his standard of living is forced down under the influence of competition. It is, of course, not material for this purpose whether the employer is the actual, or the lawful, owner of the wealth from which, by the application of labor, new wealth is produced, or whether he merely has the command of it. To the laborer the result is the same.

The foregoing arguments appear to show the principal causes of the unequal distribution of wealth, and of the continually increasing inequality. The unequal ability of men is, of course, another cause, but a minor one so far as regards the phenomena with which we are dealing. These phenomena are such as must naturally, and necessarily, follow from the causes which are in operation. And they have followed. What, then, is the remedy?

III.—THE REMEDY.

Just as surely as the general disregard of any natural law, whether physical or moral, brings about a disturbance of equilibrium in the field in which it operates, so surely the only mode of removing the disturbance and restoring the equilibrium is to accept the law, and to return, as far as possible, to its observance. The mere future observance, however, will not undo the evil already wrought. It can only operate to prevent further mischief.

The first step, then, in any practical reform is to establish a real and living belief in, and acceptance of, the truth that the products of a man's labor, after defraying the cost of his maintenance during his labor, belong to himself. If only this step were gained, if we all really believed this truth, as we are getting to believe the laws of health, and as we all profess to believe in human liberty, it would, I am convinced, have almost as much effect as was produced by the legislative abolition of slavery in the British Dominions. But a more important step is to reduce the rule into practice. Many schemes have, from time to time, been suggested in the nature of co-operation, having for their object the advancement of the condition of the laboring population. But, as they have generally not been founded on any definite and clearly-apprehended law of natural justice, they have not brought about any practical result. I propose now, with some diffidence, to submit a mode by which the rule of right may be reduced into practice.

The number of persons whose labor co-operates in the production of any particular form of new wealth may be almost infinitely various. In the simplest case of all the possessor of property produces, by the application of his own labor to it, a new form of property exceeding in value the old form, together with the cost of his subsistence during the process of production. This is the case of primitive agriculturists working on their own soil with their own hands, or of the primitive manufacturers of countries like New Guinea. In this case the whole of the new value admittedly belongs to the laborer. The next, a more complex, but still comparatively simple case, is that of the simplest form of employment of one man by another: as when a man having obtained possession of a piece of land, employs another to cultivate it, or, having obtained possession of a log, employs another to convert it into a canoe. In this case there are two persons who contribute to the result. The pro-

portionate extent of their respective contributions may vary. Both may have worked equally at the cultivation, or the hollowing of the log, or the contribution of the possessor of the land or the log may have been supervision, with or without manual assistance, or the possessor may have contributed nothing more than allowing the use of his possessions as an object to which to apply labor. In either of these three cases, the product is the joint result of the contributions of the possessor and the laborer, and they are therefore justly entitled to share in the new wealth which results from their joint contributions. If there are more contributors than two, precisely the same principles will be applicable.

It will be observed that I have conceded that the mere permission to use property as an object to which to apply labor is, or may be, a contribution to the product. It may be difficult to sustain, logically, the propriety of the concession, although, as pointed out in an earlier part of this article, the passive contributor, in practice, usually gets the lion's share, if not the whole, of the new wealth produced. For present practical purposes, however, the concession is necessary. To deny it would, indeed, be to revolutionise, instead of reforming, the whole existing system of society. But, granting the concession, the question still arises: "In what proportions should the new wealth, the product of labor, be divided between the contributors to it?" The only fair rule of division appears to be obvious, if we admit the natural law on which the whole argument is based. It is surely this: In proportion to the value of their respective contributions. Of course, the defenders of existing systems will say: No, that would be all very well, if no other arrangement were made by the contributors amongst themselves. Let the division be made on any basis the parties may agree to. This is, however, the same old argument which justifies starvation wages, and it assumes an existing absolute freedom to contract. I repeat, again, that any agreement between men which apportioned their mutual rights otherwise than in accordance with natural justice is essentially wrong, and any social system which admits of such agreements being ordinarily made is unsound, and must inevitably lead to the consequences which follow from a breach of the laws of right and wrong, just as surely as an agreement between two men that one shall be allowed to infringe natural sanitary laws to the prejudice of the other, will lead to disaster and death.

The only true and defensible rule for the division of new wealth between the contributors

to it is, then, that it shall be divided among them in proportion to the extent or value of their respective contributions. The principle will be the same, though its application may be more difficult, if, instead of two contributors, there are fifty, or a hundred, or any other number.

The rule may be stated in another form, applying it more directly to the case of the remuneration to be paid for labor, thus: The true rule or basis of wages for any labor is such a share of the new wealth produced by the labor as is proportionate to the contribution of that labor to the product, as compared with the total contributions of all the factors employed in the production. The propriety and justice of this rule in simple cases is, I think I may venture to say, self-evident. The difficulty of its precise and exact application in complex cases may be a reason for adopting some approximate formula to work out the result, (as is done in practical or applied mathematics), but is no reason for denying the rule.

Or the rule may be familiarly stated thus: When more men than one co-operate in, or contribute to, the production of new wealth, they are by the law of natural justice partners in the production, and are entitled to share in the product in proportion to their contributions to the partnership.

This may be a convenient point in the argument for adverting to the common objection, that it is all very well to talk of letting workmen share in profits, but what about the losses? And then we are told that Capital is sensitive, and will only employ itself in production when it is sure of a profit, and that if you frighten it, the workmen will go without employment. Similar arguments have, of course, been used in opposition to all reforms.

But a little consideration will furnish the answer to these objections. In the first place, if Capital is not employed it will produce nothing, which is not what the capitalist wants. Moreover, if no new wealth is produced by its employment, that is, if the value of the product of the labor does not exceed the value of the previously existing wealth together with the cost of production (including the maintenance of the laborers, the wear and tear of machinery, and waste of material) there will be nothing to divide—a result which proves that the enterprise has not been profitable, and that now, under our existing rule of action, it would probably not be continued. However, the capitalist will be no worse off than at present. If the result is that not only there is no new wealth

produced, but the in value than the together with the that there has been destruction of wealth, prise is a foolish or duction has been to be the same as at cost of production the capital must be applied, in some surely, the fact that has made a mistake has applied labor, applied, to his wea has been to destroy no reason why, if s produced, the des should be altered.

If two partners speculation, surely speculation might no reason why or from the other th tionate share of the to which this argun to be entitled to allowing something for risk in estimatir bution of the posses think, is fair and reason to fear that, of right and justice deterred from seekin now, the most adv ployment for his ca

I admit, of course difficulties in putti tion. But this is n an extremely compl has grown up for being paid to it. A long time to work application. But t political economists task, the sooner it plished. And I an the adoption of this averting a terrible lution.

What I have to a gestion, for I canno *priori*, to point ou social order. But su had always been a p that is, the unwi that a laborer enga (for, of course, th directly, if at all, labor, by which I m

produced, but the product of the labor is less in value than the previously existing wealth together with the cost of production, so that there has been an actual loss or destruction of wealth, it is plain that the enterprise is a foolish one, or that the cost of production has been too great. The result will be the same as at present—either that the cost of production must be reduced, or that the capital must be employed, and the labor applied, in some other direction. But, surely, the fact that the possessor of wealth has made a mistake in the mode in which he has applied labor, or allowed labor to be applied, to his wealth, so that the net result has been to destroy, instead of producing, is no reason why, if something new has been produced, the destination of its ownership should be altered.

If two partners engage in a profitable speculation, surely the possibility that the speculation might have been unprofitable is no reason why one of them should claim from the other the whole or a disproportionate share of the profits. The only extent to which this argument of possible loss seems to be entitled to weight, is as a ground for allowing something by way of compensation for risk in estimating the value of the contribution of the possessor of the wealth. This, I think, is fair and right. There is no real reason to fear that, under the suggested rule of right and justice, the capitalist would be deterred from seeking and finding, as he does now, the most advantageous modes of employment for his capital.

I admit, of course, that there are practical difficulties in putting this rule into operation. But this is not surprising, seeing that an extremely complex system of production has grown up for ages without any regard being paid to it. And I fear it may take a long time to work out the best practical application. But the sooner statesmen and political economists set themselves to the task, the sooner it is likely to be accomplished. And I am firmly convinced that in the adoption of this rule lies the only hope of averting a terrible social upheaval and revolution.

What I have to add is only by way of suggestion, for I cannot presume to be able, *a priori*, to point out all the details of a new social order. But suppose for a moment that it had always been a part of the Common Law, that is, the unwritten law of England, that a laborer engaged in productive labor, (for, of course, the argument does not so directly, if at all, apply to unproductive labor, by which I mean labor the immediate

object of which is not the production of new wealth,) is entitled to a fair share of the profits derived from his labor. In the early stages of English history no difficulty would have been found in giving effect to it, and the judges would have very soon invented a form of action by which the laborers' rights could be enforced, just as they did when attempts were made by the strong to infringe rights of commonage or any other recognised rights. The existence of the law would have led to the formulating of practical rules for enforcing it, and litigation on the subject would have been as rare as actions between partners, or to enforce the rights of commoners. The law itself would have developed with the development of civilisation and industrial production. The present difficulty is one of the penalties that we have to pay for so long disregarding the rule of justice. But it will not diminish by delay.

In applying the rule to our present complicated system provision would have to be made for the very numerous contributors to any given finished product. One of the greatest practical difficulties would, no doubt, be to determine what value is to be attributed to the contributions of those whom I have, in the first part of this article, called the passive contributors. They cannot be disregarded, and I can only suggest, as a rule to be adopted by way of experiment, that their contributions should be estimated by way of a fixed annual percentage upon the value of the property used in the adventure, in which may also be taken into consideration the element of risk already adverted to. The fixing of this percentage must be a matter to be adjusted from time to time, either by the parties by free contract, if such freedom can be secured, or in accordance with some positive rule to be laid down by the whole community through its Legislature.

The value of the contributions of the laborer, including the capitalist, or employer, or owner of the wealth, if he also works with his brain or his hands, might be provisionally estimated at the amount of the cost of their subsistence, according to their reasonable modes of life and standard of living; that is, their wages or salaries. On this basis, it would not be difficult to make out, with respect to any industrial enterprise, an annual balance-sheet, showing the contributions of the several contributors, and the net profit earned by their joint contributions, and to divide the profits amongst them in due proportion.

A scheme, substantially the same as this, has been voluntarily adopted by Mm. Bord,

the great firm of piano makers, and some other large employers of labor on the Continent of Europe, and its practicability and beneficial results have been demonstrated by actual experiment—if, indeed, the practicability of giving effect to a natural law of justice is a thing which can properly be spoken of as open to proof.

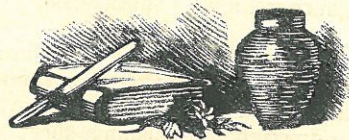
It would not, of course, be possible in all cases, to work out the contributions of all the contributors to a finished article of commerce by grouping them all together in one calculation. But the several stages of production, in which sets of men are grouped together, could, in most instances, be separated from each other, and the calculation worked out with respect to each set. By this means the relative value of the contributions of all the contributors, including the distributors, could be fairly estimated. But, as I have already said, this is a matter to which no practical attention has yet been directed, and it is not likely that we shall, all at once, work out a perfect scheme in this case more than in any other.

Suppose then that the natural law of right has been declared by the Legislature to be the law of the land, with such positive enactments for practically giving effect to it as may appear expedient, and with proper definitions of the different classes of contributors, and of the mode of estimating the value of their contributions. I do not think that much difficulty would be found in enforcing the law as against unwilling possessors of wealth. An account of the transactions of an industrial adventure, taken in the present costly and cumbrous method, in which accounts of partnerships and the adminis-

trators of estates are taken in Courts of Justice, would, of course, be out of the question. It would be necessary to establish a different and more simple mode of procedure, and, perhaps, to create a new Tribunal, which might be called the "Tribunal of Trade and Commerce," or, of "Trade and Labor." The judges of it should be expert accountants, who should be empowered, on the complaint of any person entitled to share in the profits of industry, to make an examination into the operations of the industry, just as an accountant appointed by creditors examines the accounts of a debtor, and to make an award on the matter, to which effect should be given as in the case of other orders of Courts of Justice.

There is nothing in these suggestions beyond the capacity of men of ordinary intelligence and constructive ability to develop in practical form, so as to produce a simple working scheme which would reintroduce into modern Society the natural law of justice, and give to every man, in the future at any rate, that share of new wealth to which the laws of nature and his own exertions have justly entitled him.

After all, there are only two rules of conduct in the affairs of communities—the rule of right, and the rule of might; the rule of justice, and the rule of the strongest. Those who will not, while they may, accept the rule of right, must not complain if in the long run the greatest number are found to be the strongest, and if the rule of the strongest should depart as far as at present, but in a different direction, from the rule of justice.



THE CENTENNIAL MAGAZINE.

VOL. 2.

SEPTEMBER.

No 2.

PLAIN SPEAKING ON GREAT QUESTIONS.

BY B. R. WISE.



It is a truism of political science that all large movements spring from the depths of what (for want of a better name) we call our "moral nature" οὐ περὶ μικρῶ ἀλλ' ἐκ μικροῦ αἱ στάσεις γίνονται. Sometimes even a noisy quarrel only stirs the surface of opinion; while, at others, a slight agitation descends to the depths. "The shout of battle," says one of the most learned and acute of writers,* "may be raised the loudest about some harmless or insignificant quibble; but we may learn from it in which direction the danger is felt to lie. When public opinion is in a sore and irritable state, a very remote allusion will rack all its nerves." At such a time how is a sensitive man to act, who feels his individual responsibility, but who is not so blinded by prejudice that he cannot understand the sentiments of those who differ from him? There are differences of opinion against which no wise man would think of arguing, because they originate in differences of race, training or temperament, which lie beyond the reach of argument. Must a man, then, refrain from any plain expression of opinion, lest he offend the susceptibilities of those whom he cannot hope to convince? Or should he, with the best skill he has, indicate to all observers what is the precise line of demarcation between parties, and what are the real motives by which each is guided? The first course is, no doubt, the easier as it is the more enervating; but many even of its professed followers must admit in their hearts that the second, as it is the more honorable, is also

the more advantageous, both to those whom it assists to a clear sight and to those whom it warns against the indulgence of false hopes. One penalty, however, the man must pay who speaks plainly upon any question that stirs the depths of opinion—namely, that he is certain to say, not indeed what is doubtful, but what is liable to be misunderstood, and still more, to be misinterpreted. For this reason, if for no other, prudence would dictate that very sparing reference should be made on public platforms or in the columns of a daily paper to those deep seated sentiments, which are the final determinants of opinion. Suppose, for instance, that anyone were to assert at an election meeting that Catholicism, being a religion which rested on the surrender of the individual, was more likely to incline towards a policy of Protection—which is the negation of individual freedom in industrial matters—than to a policy of Free-trade—which asserts the doctrine of individual rights in its widest form—any newspaper or political opponent would be justified, according to the modern ethics of political lying, in charging him with having stated that no Roman Catholic could be a Freetrader. And yet the proposition referred to is eminently suitable for philosophical discussion, and ought, indeed, to be considered in all its bearings by anyone who wishes to forecast the future or survey our politics with a broad glance.* Nor would such a discussion give offence to intelligent and educated men on either side. That the contrary should have been imagined—and daily intercourse proves that the contrary opinion is widespread—is only another evidence that we, in Australia, have the same deficiency in "judgment" with which Newman reproached the English—that is to say, that we have only slight appreciation of the philosophical spirit or "the power

* Essays by Mark Pattison, vol.ii., p. 3.

* The universality which is a characteristic of the Church tends, of course, in favor of free rather than restricted intercourse with foreigners

SOME CRITICISMS ON "THE DISTRIBUTION OF WEALTH."

BY H. P. TREGARTHEN.



IN the July number of this Magazine Sir Samuel Griffith has, founded upon a sentence in a speech by the Archbishop of York, a plea for a radical change in the distribution of new wealth. In the following pages we propose to offer a few criticisms of his argument, due

not to any disposition on our part to underrate the importance of the social problem, and still less prompted by any excessive sympathy with the capitalist as opposed to the laborer, but based upon a conviction that the plan proposed by him is impracticable; that the evil to be faced differs in many particulars from what he represents it to be, and that the end which he and the writer both have in view can only be attained, if at all, by changes in the moral and social state of the civilised world far more deep and far-reaching than can be effected by ordinary legislation.

Sir Samuel Griffith divides his subject into three parts, the first dealing with existing facts, that is, stating the problem to be solved, the second pointing out the causes which have led to the existence of the problem, and the third deducing from the information so gained a solution. The most distinct statement of the problem to be solved, which is to be found in the article under consideration, is contained in the following sentence:—"The problem of the modern Sphinx, which imperatively demands solution, with the old alternative of destruction to those who are called upon to solve the riddle and fail to do so, is not how to make money collectively or individually, but how to secure such a distribution of wealth as will give to every man a fair share of prosperity and happiness." Such a statement assumes the existence of sufficient wealth to satisfy the reasonable needs of all men, and; a more doubtful assumption still, the possibility of ascertaining in all cases what is the "share of prosperity and happiness" which every man may fairly claim. To be asked a riddle containing two such elements would, indeed, be enough to fill the boldest with despair. We shall have to consider later on whether there is really a call for an increase in the amount

of weath apportioned to the laborer as opposed to the capitalist, and if so, whether such an apportionment can be brought about by any legislation, or by the intervention of any court of law of which human ingenuity can conceive. In the first place, however, we would give a few reasons for doubting whether the question which, in Europe especially, is forcing itself more and more prominently forward every year, is what Sir S. Griffith states it to be. The subject dealt with throughout his article is this—given that human intelligence has been so applied to property as to enhance its value, does the human intelligence obtain a fair share of the increase so produced? Allowing, for a moment, that it does not, and that a court, such as is suggested, could secure that it did, we shall still have merely improved the condition of those persons who have already the power of so applying their labor as to gain a subsistence, and shall not have touched the case of those "millions of men" to whom the Archbishop of York refers, who are not sure that their labor can be brought to the market at all. But these are precisely the persons whose case cries loud for treatment; it is from them, and not from the men in regular employment, that a sanguinary upheaval is to be dreaded, and when we have found a means by which all who will can gain as much as a bare subsistence by their labor, it will be time enough to consider the position of those who have already solved that problem for themselves. Indeed, the facts, in England at any rate, seem to point to the conclusion that the *élite* of the working classes—those, we mean, who can readily find a market for their labor—are very well able to take care of themselves, and by combination and thrift are rapidly gaining for themselves some share, at any rate, in such new wealth as they co-operate in producing. Not long ago it was stated by the Chancellor of the Exchequer that the income tax returns showed a steady tendency to increase in the number of incomes of from £400—£1000 per annum, and still more so in those of from £150—£400, while there was a corresponding diminution in the number of very large fortunes. There is also a considerable annual increase in the amounts deposited

in the Post Office and other savings banks, with friendly and building societies, and with the large trade societies. Further than this, for the last few years there has been a persistent disposition to turn private businesses into limited liability companies, and in every case the applicants for shares have included a very large number of small investors who are presumably dealing with their savings. All this points to two facts which are hardly consistent with Sir Samuel Griffith's statement of the conditions of industry to-day, viz., (1) that a large proportion of the working classes do earn considerably more than is sufficient to furnish a bare subsistence; (2) that the tendency in England is rather towards a wider diffusion than a closer concentration of wealth.

We shall not be accused of calling a witness prejudiced in favor of the capitalist if we quote Mr. Henry George, a man whose conviction that the present distribution of wealth is inequitable has acquired the force of a religion. In "Protection or Freetrade," he says, "It is true that the average consumption has increased, and that the cheapening of commodities has brought into common use things that were once considered luxuries. It is also true that in many trades wages have been somewhat raised, and hours reduced by combinations among workmen. But although the prizes that are to be gained in the lottery of life—or if anyone prefers so to call them, the prizes that are to be gained by superior skill, energy and foresight—are constantly becoming greater and more glittering the blanks grow more numerous." And in another part of the same work it is asserted that this is "of all social facts the most obvious and important to the working classes—the fact that as soon, at least, as a certain stage of social development is reached, there are more laborers seeking employment than can find it—a surplus which at recurring periods of industrial depression becomes very large." In the book from which these quotations are made, Mr. George is largely concerned with the distribution of wealth, and fiercely attacks the existing system on grounds which do not at present concern us; we have merely referred to him to prove that the real social problem is not how to increase the earnings of the regularly employed, but how to secure to all the opportunity of regular and remunerative employment. This is, indeed, a pressing question, and one difficult enough to daunt even the most fearless reformer. It is a question involving the life and death of millions whose misery is a daily menace to the very bases of our

civilisation, and whose presence in our midst is, indeed, a disgrace to our social order. They will certainly not be removed by the action of any court regulating the proportions in which new wealth is to be distributed between all who have in any way been concerned in its production, for most of them have never had either the opportunity or the capability of producing any wealth whatever; they certainly cannot be provided for by legislation which deals only with future accumulations of wealth, perhaps no government exists which is a wise enough physician to prescribe the proper remedy for this the world's deadliest disease, and the only hope of its cure lies in such a gradual change in the hearts of men as shall make us all "do unto others as we would have them do to us, and respect the rights of others as scrupulously as we would have our own rights respected."

Leaving, however, what we consider to be the real social problem, the real Sphinx's riddle, let us return to the account of the existing facts as to the distribution of new wealth as stated by Sir Samuel Griffith. For the purposes of his argument he divides all that is involved in the production of new wealth into two classes—Property, Capital or Wealth—by which he means "all forms of property to which labor can be applied." Labor, *i.e.*, all modes of exercise of the human faculties, whether intellectual or manual, having for their object the creation of new or additional wealth, or new forms of wealth. He goes on to point out that new wealth can only be produced by the application of labor to existing wealth, and then defines new wealth as the "surplus value over and above the original value, after payment of the cost of production." His meaning seems to be this: "A has wood to the value of £5. He employs a carpenter (B) to convert this wood into a boat, paying him £7 for doing so. But the boat, when made, is worth £15, *i.e.*, 'new wealth' to the extent of £3 has been produced." His complaint is that all the new wealth, that is the £3, goes to A, the original owner of the wood, and that B, by whose labor the value of the wood was enhanced, gets no share in it. This is, of course, obvious, but it has only been arrived at by an arbitrary definition of the term "new wealth." In the illustration given above, the value of A's wood has been trebled by the application to it of B's labor, but A's wealth has not been even doubled, because the "cost of production," *i.e.* B's share in the enhanced value of the wood on which he has worked has to be deducted. Now we con-

trans
betw
finis
that
labor
not
Sir S
balai
and
is th
whic
Th
press
the r
Sir S
that
pers
ques
prom
mean
prese
scrut
who,
the f
dimi
draw
be at
cons
Man
pract
mate
is to
sive,
along
prod
the f
unive
man
upon
earn
tions
savin
prop
He i
owne
as a
socia
him
that
mean
prod
exist
some
until
The
exagg
there
only
made

tend that the fair way of looking at this transaction is to regard £10—the difference between the value of the wood and of the finished boat—as “new wealth,” and to say that of this new wealth £7 has gone to the laborer, and £3 to the capitalist. We do not quite understand how, if the framers of Sir Samuel Griffith's judge made industrial balance-sheet, would adjust the shares of A and B in the £3, which, as he contends, is the only new wealth produced in the case which we have been considering.

The truth is that, although he has expressly disclaimed any intention of disputing the right of property-owners' to their property, Sir Samuel is really quite unable to admit that right. He starts by suggesting that persons, who deprecate attempts to open the question of the rights of property, are prompted by “an uneasy sense that the means by which they have acquired their present possessions will, somehow, not bear scrutiny;” he sneers at “well-meaning people who, as soon as they find that their share of the future earnings of the community may be diminished by any change, at once withdraw their sympathy, and show themselves to be at heart Conservatives, and, perhaps, unconsciously, worshippers of the great god Mammon.” He complains that “new wealth practically all goes to the possessor of the material to which the labor was applied—that is to the person whose contribution was passive, and not to the man or men whose labors alone were the active contributions to its production.” He cites, with seeming approval, the fact that “for a long time it was almost universally thought to be dishonorable for a man to acquire a profit by lending his money upon interest, while he did nothing towards earning that interest,” and he seldom mentions a possessor of property without a saving clause indicating a doubt whether property ought to have any possessors at all. He is as subject to the hatred of property-owners, as such, although he disclaims it, as any Continental Anarchist or English socialist, and his bias has completely blinded him to the fact that, although it is quite true that new wealth can only be produced by means of labor, labor would be powerless to produce anything unless it had some pre-existing material to which to apply itself, and some store on which to draw for subsistence until its exertions have proved productive. The same prejudice has led him to very much exaggerate the passivity of the capitalist; there is not one instance in ten in which the only contribution which the capitalist has made with his brain to the production of new

wealth has been the exercise of his volition to allow his property to be worked upon for wages.

The account of the production of wealth given in any standard work on political economy would be found to differ very materially from that given in the article we are criticising, and the handbook would probably prove, on examination, to be the more accurate of the two. Into this comparison, however, we do not propose to enter, and shall pass at once to a consideration of the natural laws, from a breach of which all our troubles are supposed to have come.

The truth that “all men are created equal, and endowed by their Creator with the inalienable rights of life, liberty, and the pursuit of happiness,” is described as self-evident, and we are asked to accept as an equally obvious truism, the proposition that the “products of a man's own labor belong to himself.” On these two complementary truths, or laws of nature, the whole indictment against the existing order is based. Their practical application, even in a society which was unfettered by any pre-existing arrangements would, we fancy, be by no means a simple matter; a mere change in the rate of wages, which is all that Sir Samuel Griffith's plan really proposes to effect, would certainly not suffice to eventually make them the guiding principles of a social order as complex as ours; but we are prepared to go further than this and to maintain that, so far from being self-evident truths, the two so-called “laws of nature,” are not, in reality, true, if at all, beyond a certain very limited sphere.

Take the “law of personal equality and freedom” first. According to Sir Samuel Griffith, himself, it “gave place almost universally to the rule of the strongest.” May we not fairly enquire how, if all men are created equal, it came about that some were stronger than others? But it is not necessary to ask any such questions in order to demonstrate the falsity of this proposition when applied to men, regarded as wealth producers—an appeal to every-day experience is quite sufficient. Every family contains evidence that men are not brought into the world equal in either mental or physical capacity, and a wider survey shows that these inherent inequalities are often very considerable, indeed. In every school some boys are to be found whose capacity for acquiring knowledge is nearly double that of others, and every such institution will furnish any number of examples of a similar difference in physical strength. It is no answer to these objections to say that the differences are largely due to infantine associa-

tions and hereditary tendencies. Whatever they may spring from they indisputably exist, and are of enormous importance in any question relating to the distribution of new wealth. There would be less difficulty, perhaps, in applying the second "natural law," if all men's capacity was really equal, so that we had merely to determine what proportion labor bore to capital in contributing to the the production of new wealth, but even if this could be ascertained we should still be as far from our goal as ever, inasmuch as the impossible task of settling the just claims of each several person whose labor had contributed to the result would remain. But every man is entitled to the produce of his own labor. Well and good. Supposing, however, that produce be more than sufficient for his support, and he employs the surplus in providing the raw material for fresh labor, he is to be mulcted of a portion of it.

The fact is, that it is impossible to arrive at any practical estimate of the value of man's labor except by the operation of the regular laws of supply and demand. Our moral sense, our humanity, our pity, may often revolt against the rigid enforcement of this rule, but to generally determine wages by any other means is impossible. In a small primer of political economy published in 1878, Mr. Jevons puts this point so clearly that I cannot refrain from quoting him. "It is a favorite saying that a man should have a fair day's wages for a fair day's work; but this is a fallacious saying. Nothing, at first sight, can seem more reasonable and just; but when you examine its meaning you soon find that there is no real meaning at all. It amounts merely to saying that a man ought to have what he ought to have. There is no way of deciding what is a fair day's wages. If the saying means that all should receive the same fair wages, then all the different characters and powers of men would first have to be made the same and exactly equalised. Wages vary according to the laws of supply and demand, and as long as workmen differ in skill and strength, and the kind of goods they can produce, there must be differences of demand for their products."

There are other fallacies in Sir Samuel Griffith's article, but I have said quite enough to show why I put little trust in his solution of

the industrial problem. My line of argument has made it necessary, in most instances, to defend existing conditions and to appeal repeatedly from the generous promptings of humanity to the hard laws of economic science. Yet I am not myself contented with things as they are. Unrestrained competition does, undoubtedly, work great hardship in numberless cases, and the complex nature of modern industry, with its minute subdivision of labor and its constant requirement of special knowledge in the laborer, indisputably renders any readjustment of the labor market a long and painful process. In the old countries the supply of unskilled labor tends every year more and more to exceed the demand, and every year the newer lands are more inclined to close their doors against the unemployed surplus. It is also, perhaps, true that the laboring classes are called upon to bear an undue share of the reverses, and are denied any part in the successes of their employers, though in many trades, such as coal mining, a sliding scale extensively prevails. To remove these evils legislation can do very little, we doubt whether, directly, it can do anything at all. Combination among workmen may do much, and a spread of co-operation more; but evil and sorrow and want have roots which strike so deep that no Act of Parliament can reach them, and we can only hope to eradicate them by trying, each in our own sphere, to do our duty to our neighbor, and by doing all that in us lies not to stir up strife between employers and workmen, but to impress both with the fact that so far from being enemies, they are allies, each in need of the other's loyal assistance and support, fellow-men bound by the tie of a common brotherhood to bear and forbear in their mutual relations. For such an end as this all can work irrespective of creed or party, and though the toil may be long and disheartening, success when attained will be well worth attaining. Only by the elimination of selfishness and idleness can their evil fruit of sorrow and want be put away, and these can be eliminated only by a general raising of the sense of public duty, and not by the operation of a court of law endeavoring to apply an abstract principle of vague meaning, hard facts of existence to which it bears little or no real relation.



for a l
course
unexp
bush
east;
ous a
remot
habita
seeme
place,
myste
And
of intr
existe
direct
newly
sand
numb
Des
messr
the ri
a tang
almos
took a
and l
surro
crossi
was
gradu