

party, redressed the grievance, thanked the Commons in touching and dignified language for their tender care of the general weal, brought back to herself the hearts of the people, and left to her successors a memorable example of the way in which it behooves a ruler to deal with public movements which he has not the means of resisting."

Perhaps some one of my readers may suggest, that these are the words of a Whig-Liberal, and may thus exaggerate the cause of the people as against the monopolists. Well, then, let us hear the words of a high Tory-Loyalist, the historian Hume (IV, 335, 350), in relation to the same monopolies. "*The active reign of Elizabeth had enabled many persons to distinguish themselves in civil and military employments; and the Queen, who was not able from her revenue to give them any rewards proportioned to their services, had made use of an expedient which had been employed by her predecessors, but which had never been carried to such an extreme as under her administration. She granted her servants and courtiers patents for monopolies; and those patents they sold to others, who were thereby enabled to raise commodities to what price they pleased, and who put invincible restraints upon all commerce, industry, and emulation in the arts. It is astonishing to consider the number and the importance of those commodities which were thus assigned over to patentees. Currants, salt, iron, powder, cards, calf-skins, felts, pouldavies, ox-skin-bones, train oil, lists of cloth, potashes, anise-seeds, vinegar, sea-coals, steel, aquavitæ, brushes, pots, bottles, saltpetre, lead, accidents, oil, calamine stone, oil of blubber, glasses, paper, starch, tin, sulphur, new drapery, dried pilchards, transportation of iron ordnance, of beer, of horn, of leather, importation of Spanish wool, of Irish yarn; these are but a part of the commodities which had been appropriated to monopolists. These monopolists were so exorbitant in their*

demands, that in some places they raised the price of salt from sixteen pence a bushel to fourteen or fifteen shillings. Such high profits naturally begat intruders upon their commerce; and in order to secure themselves against encroachments, the patentees were armed with high and arbitrary powers from the Council, by which they were enabled to oppress the people at pleasure, and to exact money from such as they thought proper to accuse of interfering with their patent. The patentees of saltpetre, having the power of entering into every house, and of committing what havoc they pleased in stables, cellars, or wherever they expected saltpetre might be gathered, commonly extorted money from those who desired to free themselves from this damage or trouble. And while all domestic intercourse was restrained, lest any scope should remain for industry, almost every species of foreign commerce was confined to exclusive Companies, who bought and sold at any price that they themselves thought proper to offer or exact."

"The Government of England during that age, however different in other particulars, bore in this respect some resemblance to that of Turkey at present: the Sovereign possessed every power, except that of imposing taxes; and in both countries, this limitation, unsupported by other privileges, appears rather prejudicial to the people. In Turkey, it obliges the Sultan to permit the extortion of the pashas and governors of provinces, from whom he afterwards squeezes presents and takes forfeitures: in England, it engaged the Queen to erect monopolies, and grant patents for exclusive trade; an invention so pernicious, that had she gone on during a tract of years at her own rate, England, the seat of riches, and arts, and commerce, would have contained at present as little industry as Morocco or the coast of Barbary."

But, some one will say, Hume and Macaulay are histo-

rians, writing long after these events took place, and may likely have been too favorable in their judgment to freedom of trade domestic and foreign. It is indeed true, that both of them were firmly convinced that freedom of trade is an inalienable right as well as an unspeakable blessing to all men everywhere. So, then, let us go back to contemporaries. Let us hear the eye and ear witnesses of the grievances complained of in 1601. Robert Cecil was then prime minister of Queen Elizabeth. He and his father had had more to do in granting the monopolies than any other persons in the realm except the Queen. Said he from his place in the Commons on the 25th of November: "*I say, therefore, there shall be a proclamation general throughout the realm, to notify Her Majesty's resolution in this behalf. And because you may eat your meat more savory than you have done, every man shall have salt as good and cheap as he can buy it or make, freely without danger of that patent which shall be presently revoked. The same benefit shall they have which have cold stomachs, both for aqua vitæ and aqua composita and the like. And they that have weak stomachs, for their satisfaction, shall have vinegar and alegar, and the like, set at liberty. Train oil shall go the same way; oil of blubber shall march in equal rank; brushes and bottles endure the like judgment. Those that desire to go sprucely in their ruffs, may at less charge than accustomed obtain their wish; for the patent for starch, which hath so much been prosecuted, shall now be repealed. The patents for calf-skins and felts, for leather, for cards, for glass, shall also be suspended, and left to the law.*"

Five days later one hundred and forty members of the House were formally received by Elizabeth in person, the Speaker having been instructed to convey their thanks to her majesty; and, after the Speaker's address, he with the rest knelt down, and the Queen gave her answer as fol-

lows: "*Mr. Speaker, you give me thanks, but I doubt me, I have more cause to thank you all, than you me: for had I not received a knowledge from you, I might have fallen into the lap of an error, only for lack of true information. Since I was queen, yet never did I put my pen to any grant, but that upon pretext and semblance made unto me that it was both good and beneficial to the subjects in general, though a private profit to some of my ancient servants who had deserved well; but the contrary being found by experience, I am exceeding beholding to such subjects as would move the same at first. I have ever used to set the last judgment-day before mine eyes, and so to rule as I shall be judged to answer before a higher judge. To whose judgment-seat I do appeal, that never thought was cherished in my heart that tended not to my people's good. And now if my kingly bounty hath been abused, and my grants turned to the hurt of my people, contrary to my will and meaning; or if any in authority under me have neglected or prevented what I have committed to them, I hope God will not lay their culps and offences to my charge. Though you have had, and may have, many princes more mighty and wise, sitting in this seat, yet you never had, or shall have, any that will be more careful and loving.*"¹

These were the last words of Elizabeth to the Commons of England. She died in a little more than a year. In a little less than a year before the death of her successor, the famous Act of Parliament of 1624 declares, that all monopolies, grants, letters patent for the sole buying, selling, and making of goods and manufactures, shall be thereafter wholly null and void. Though this Act, and many others, was violated more or less in the next reign, it effectually secured in the long run the freedom of industry in Eng-

¹ Charles Knight's History of England, III. 292 *et seq.*

land; and in the opinion of excellent authorities, has done more to excite the spirit of invention and industry, and to accelerate the progress of commerce in that country, than any other law on the statute book.

Our second instance of Monopolies shall be drawn from the state of things in the United States in this year of Grace, 1890. The monopolies of to-day are secured by means of an instrument called a Tariff, which, later on in these pages, will be fully discussed in its history, inmost nature, and invariable effects. Here it will suffice to say, that a tariff is nothing in the world but a combination of Taxes, which taxes the people of the country, on which the tariff is imposed, are obliged to pay in one form or another. The only word ever uttered by a tariff, the only word a tariff from its own nature can utter, is, *Thou shalt pay!* The ostensible reason for levying these taxes is the constitutional one of getting money into the national Treasury, — “to pay the debts and provide for the common defence and general welfare of the United States”; but the real purpose of laying these tariff-taxes at present is only secondarily and remotely the ostensible and constitutional one; because, on the authority of Professor Taussig of Harvard University, there is not a single one of over 4000 items of taxes in this tariff, that is designed primarily to get money into the treasury from the pockets of the people, but every one of them is designed more or less and more rather than less to raise the price of domestic goods to our own people artificially by keeping out of the country by means of these taxes on them the foreign goods, which would otherwise come into a profit. In other words, there is no purely revenue-tax in our immense tariff at present, but every item in the enormous list is a so-called and mis-called “protective”-tax.

By this shutting off from domestic goods the natural

competition of corresponding foreign goods by means of such tariff-taxes, a monopoly is created at the instance and for the sole benefit of certain classes of privileged home-producers. They can sell alone (monopoly) just so far as other sellers are kept out by these heavy taxes. The goal of all their striving is to get an artificially-enhanced price for their own products at the cost of their countrymen by means of a market restricted to themselves through obstacles excluding foreign sellers. The end proposed by these shrewd manipulators is realized in fact. Domestic prices are lifted on so-called “protected” goods. This is the first effect of the monopoly. It has often been alleged, and with great vehemence by the late Horace Greely, that competition among the domestic producers of such wares will lower their price again to the natural point; but if this is so, what *motive* have the individual producers to work so assiduously in elections and lobbyings to get on and keep on these tariff-taxes? Again, Mr. Greely, and all others of like association, forgets the admirable generalization of Robert Stephenson, — “*Where combination is possible, competition is impossible.*” Combination among producers to keep up prices is always possible in a market restricted by law. This has been proven on a large scale in the United States during each of the past thirty years: combinations among coal operators to keep up the prices of “protected” coal by restricting the annual output of their collieries; combinations among carpet and other woollen manufacturers to maintain high prices of their fabrics by restricting their workmen to certain hours per day or to certain months per year; have been among the commonest of industrial events in all this interval. Within a very few years past there has come into almost universal vogue among these monopolists a new kind of combination called “*Trusts,*” — again abusing a good word by

making it cover an abominable purpose, — which are probably illegal at Common Law, which only become possible under monstrously unjust tariff laws, and which work wide-spread wrong among the masses of the people.

A second effect of this monopoly (as of all monopolies) is to worsen the quality of the goods sold in an artificially restricted market. The historian Gibbon noticed this fact more than a century ago, and said: "*The spirit of monopolists is narrow, lazy and oppressive. Their work is more costly and less productive than that of independent artists; and the new improvements so eagerly grasped by the competition of freedom, are admitted by them with slow and sullen reluctance.*" Alfred Lapoint, United States consul in Peru, warned the State Department at Washington in 1883 of this poor quality of our manufactures, which were then trying to find a South American market. He wrote: "*It is my duty to indicate that great carelessness prevails with our manufacturers; for instance, I was called upon to purchase in the United States a steam pump and boiler, which I ordered from one of the most famed manufacturers, and when it arrived, not alone was the boiler inadequate for the pump, but actually after two months' work the upper tube sheet split in three parts, a proof of its bad quality and construction.*" As men are, a natural competition among buyers and sellers is just as needful to keep up the quality of goods as to keep down their price. Good quality always costs more of effort and skill and capital than bad quality: why should producers continue to furnish good quality to a market from which a free competition in good qualities is excluded by law? Every tendency of human nature, as well as every relevant fact in history, attests, that poor wares at high rates invariably attends upon tariff-monopolies. Shoddy takes the place of wool. Cheaper crowds out better material. Skilled workmanship is dis-

placed by unskilled. Processes of manufacture are hastened in time, and left incomplete to the damage of the goods in order to save capital. Monopoly is always and everywhere the foe of excellence.

A third effect of tariff-monopoly is to prevent the sale abroad of domestic goods to the same extent and amount as foreign wares are kept out by these monopoly-taxes. This vital and fundamental result is almost always overlooked. If a man or a nation refuse to *buy* of a proffered customer, they cannot by any possibility *sell* to him; because buying and selling are reciprocal and synchronous; because it takes two to make a bargain; because material commodities, for the most part, ultimately, exchange against each other; and because the only motive a foreigner ever has to bring his goods *hither*, is to take in exchange for them our domestic goods at a profit, and carry these *hence*. To forbid entrance to foreign goods is to forbid exit to domestic goods. Monopoly-tariff-taxes, therefore, so far forth, destroy the market for home products, without creating or tending to create, any other market for them. Such taxes, accordingly, cause a dead loss all around, — to the foreign producer who wants to buy our products with his own, to the home producer who wants to sell his own products against those, and even to the government also as a tax-collector, which can get no revenue on foreign goods excluded by monopoly-taxes.

There is a final and deeper point of view, from which all such monopolies are wholly condemnable. *They lessen of necessity, — from their own nature and inexorable operation, — THE DIVERSITY OF RELATIVE ADVANTAGE AS BETWEEN EXCHANGERS*, on which diversity, as we have now seen, the whole fact and gain of exchanges depend. Taxes on raw materials, for example, whether actually paid on them or used to enhance the price of other correspond-

ing materials as in the tariff-taxes, increase the costs of all products into which such taxed materials enter, and so restrict the market of the home-producer by lessening his relative advantage as compared with the relative advantage of the foreigner over him. He cannot sell so well, perhaps cannot sell at all, his cost-enhanced products. Monopoly-taxes on industrial processes of any kind, on the means of transportation, have similar effects on the cost of products; and of course, similar effects in lessening Diversity, in restricting markets, and in destroying the life of Trade.

Before quitting this subject, it may be well for us briefly to classify Monopolies.

(a) Patent Rights. In the great parliamentary Statute of 21 James I, which declared the exclusive privileges to use any and to sell any merchandise to be contrary to the ancient and fundamental laws of the realm, and all grants and dispensations for such monopolies to be of none effect, two exceptions had been made; the first, in favor of Patents for fourteen years to the true and first inventors of new manufactures within the realm; and the second, in favor of the grants by Act of Parliament to any Company for the enlargement of foreign Trade, of which the East India Company chartered on the last day of the last year of the sixteenth century became the most famous and the longest-lived. Open letters or letters *patent*, as they were called, giving to inventors exclusive authority to vend for a limited time any chattel or article of commerce, of which a *model* could be made showing the point and application of what was claimed to be *new*; and Copyrights, which grant an exclusive property also for a limited time to authors and discoverers of something new and useful, of which a model cannot be made, or, as it is phrased in the Constitution of the United States, "the

exclusive right to their respective writings and discoveries"; are a part of the results among all English-speaking peoples of the two exceptions in this famous and beneficent Act of Parliament.

In the United States a patent lasts for 17 years, and is not reissued except by a special act of Congress; a copyright lasts for 28 years, and may be renewed by the author, his widow, or children, for 14 years longer. In the constitution of the new German Empire of 1871, this protection of intellectual property (*der Schutz des geistigen Eigenthums*) is expressly included in the matters which are to be dealt with by the *Reichstag* or imperial parliament.

Now while patents and copyrights are a monopoly under the definition, they are quite distinct in their purpose and spirit from the monopolies already described. On the whole, Society does well in trying to protect, by law, inventors and thinkers in the sole use and benefit of their respective products for a brief and specified time. There are large difficulties in the way of reaching this end practically, as is proven by the endless and expensive lawsuits in such cases, but the postulate on which it is attempted is sound, namely, that otherwise citizens would have less motive to think and to invent; since in that case only the public-spirited and the rich could or would devote themselves to an important branch of the public progress. A patent or copyright is merely a return service which Society renders for a service received. It violates no man's right of property, as an ordinary monopoly does, but on the other hand is a provision to protect for a time a new right of property created by the thought and efforts of a deserving class of men. The phrase, "intellectual property," used above in translating from the German, is not well chosen, since we have amply learned that anything is property that can be bought and sold, that simple

rights of many kinds are constantly on sale in the market, and consequently that patents and copyrights are at once proper and property because they are a technical return-service for other services ready to be rendered to the community.

(b) Revenue Rights. Once at a court ball, Napoleon the First noticed a lady very richly dressed and wearing splendid diamonds, and on asking for her name, ascertained that she was the wife of a tobacco manufacturer of Paris; whereupon it occurred immediately to the quick mind of the French ruler, that the State might just as well have those great profits as an individual; and the sale of tobacco in all its forms became accordingly a State monopoly in the interest of taxation, and so it has continued to this day, and yields now about 400,000,000 francs a year. Other nations have adopted to some small extent this mode of indirect taxation of their people. By legally cutting off the competition of all private dealers in the taxed article, and by preventing to the utmost of their power its being smuggled into the country, Governments are enabled to sell the article at a price enhanced artificially by the monopoly; but all that the people are made to pay *extra* under the monopoly, saving the costs of maintaining it, goes directly into the treasury of the State; and, so far forth, becomes an unobjectionable mode of taxation. Under all forms of taxation, the aim should clearly be, that the Treasury receive all that the People are made to pay, except the cost of an economical collection.

(c) Tariff Monopolies. The United States has never undertaken, like France and Germany, to vend directly and exclusively an article taxed by themselves for the sole purpose of revenue; but unfortunately they have undertaken and still maintain (1890) monopolies a thousand times more unjust and objectionable than any such rev-

enue-monopoly can be; they have laid distinct tariff-taxes upon thousands of foreign articles, not with the design of getting revenue from them, but with an avowed and realized design of *preventing* revenue by means of these taxes, since they have made the taxes so high and onerous as to be in many cases absolutely prohibitory of the entry of the goods, and in all cases more or less prohibitory of such entry. Revenue can only be gotten on goods that come in, while the very intent and result of these taxes is to shut the foreign goods out on which they are levied, so as to give certain domestic producers (who have themselves secured this legislation) the monopoly of the home market in these goods.

This is the very core of public wrong-doing. This is the worst form of monopoly that ever existed in a civilized country. Queen Elizabeth's monopolies, which so roused the ire of the Parliament of 1601, were nothing in enormity as compared with these tariff-taxes. Civilization long ago sloughed off such direct grants of personal privilege as were forbidden forever by the Act of 1624, and accordingly there is no need of mentioning these in the present classification. Tariff-taxes for other ends than pure revenue are the worst monopolies in existence, because (1) they compel the people to pay under ostensible taxes many times more than the Treasury gets from them in actual revenue; (2) they are wholly deceptive in their terms, and their operation is clothed in disguises difficult to strip off; (3) they are always put on at the instance and under the pressure of the man (or men) who expects thereby to raise the price of his own wares at the expense of his countrymen; (4) they create under legal forms however unconstitutional privileged classes in the community; (5) their first effect is invariably to make the rich richer and the poor poorer; (6) their ultimate effect

is to impoverish the privileged classes themselves by taking away from them the natural spur of competition and self-dependence, in consequence of which their own goods become poor, and their zeal flags, and they come to lean still more heavily on monopoly-supports; (7) they destroy the market for domestic goods to precisely the same extent as they cut off the market for foreign goods, and (8) their whole retinue of evils is wrapped up in the great fact, that the *Diversity of Relative Advantage* is thereby diminished both as among domestic producers of commodities and as between foreign and domestic producers.

The expression, "natural monopoly," is sometimes used of those, who, under freedom, and using to the utmost their natural gifts and acquired skill, have distanced all local competitors, and may be said to control the market in their own interest, furnishing the best goods at the cheapest rates. This is in no proper sense of the term a "monopoly." Production has no complaint to make of any such pre-eminence in excellence and opportunity. It harms nobody and benefits everybody. Exchange rejoices over every man and woman and child, who so puts his head and heart and hand into his own peculiar product as to outstrip all others in that one line in point of ease and excellence, and so be able to offer a service at once better and cheaper than any one else can offer it then and there; and when all men and women and children, so far as they are employed commercially, come to possess a "natural monopoly" each in his own specialty, then Exchanges become as profitable and progressive as possible then and there, because the ever-blessed diversity of relative advantage has its utmost limit.

4. We come now to consider the natural LIMITS, if any such there be, to the Production of material commodities. This point has been much discussed. For example, Dr.

Chalmers, a Scotch clergyman of great intelligence, profoundly moved by the condition of the poor in Glasgow, published in 1822 an interesting but not over-sound treatise entitled "Political Economy," in which the proposition is maintained, that the universal market is strictly limited, and therefore that, were it not for the unproductive consumption of the rich and luxurious, and the equally unproductive consumption of national wars, there would soon be a general glut of material commodities, and consequently Production would have to cease for the lack of a vent for its products. Pretty soon we shall be able to detect the enormous fallacy in this proposition. On the other hand, in 1803, Jean-Baptiste Say, a very competent French economist, in chapter xv of his well-known treatise, fully developed this very important proposition, if true, namely, *that production may go on indefinitely in all directions without ever a fear of reaching a general glut of products.*

What is a market? What is a limited market? What is an illimitable market? A market, as we have already seen in substance, is nothing in the world but certain persons somewhere with return-services in their hands desirous to part with these in order to get, that is, to buy, some other services offered in exchange. Each set of services is equally a market in relation to the other set. *A market is always persons having something in their hands to sell.* Buyers and sellers are equally a market in relation to each other. Whenever anybody goes forth to buy, he must of course take with him something with which to pay for what he wants to buy, that is to say, he must become a seller the very instant he becomes a buyer; and whenever anybody wants to sell something, he must of course want something already in the hands of somebody else, in which to take his pay, that is, he becomes a buyer

the moment he becomes a seller. This helps us to see perfectly what a market is. Defined in the terms of persons, *a market is two men, each glad to get the product of the other, and to render in return his own product*; defined in the terms of things, *a market for products is products in market*.

Now, what can limit the universal market for material products? Clearly, it can only be limited either in the element of *Desires* or in the element of *return-Services*. But the desires of all men, even of one man, which the efforts of other men may satisfy, have never yet come to a stand-still. Who ever heard of even one man, who was in possession of all the products of all kinds, that he wanted? Even if there were one such man somewhere, there are millions upon millions of other men, whose desires for products such as the efforts of other men can furnish are unlimited in number and infinite in degree. It is not possible, therefore, that there should be a lack of human desires anywhere, that could put any bound to the production of commodities or hinder in the least its ever-swelling march.

If only two things can limit the universal market, and if there never has been and never can be any lack on the part of some men of Desires which the efforts of other men can satisfy through exchange, can there ever be any lack in the second element of a market, namely, in Return-services? It is not meant to be asserted, that there are not definite limitations at any one time or place, or in the whole world at any given period, in the capacities of men then and there to produce material commodities, with their knowledge of things and powers of invention; but what is meant to be asserted is this, that wherever Production is most busy and universal in response to the desires of some men somewhere, *there* will be the greatest plenty of return-

services, with which to pay for the services of these "some men somewhere" offered in response to the desires of the first set of producers. Therefore, no general glut of products is possible to occur. The more and the more *kinds* of commodities produced anywhere, the better market *that* for the more and the more kinds of commodities produced somewhere else. The nearer Industry may seem to be about to come to the goal of a limit, the farther off from that goal it is in reality. The aggregate of human industrial powers has indeed a potential limit at any one moment, but the knowledge of things and the power of invention and the means of transportation are enlarging every moment of time; so that, that potential limit never can become an actual limitation. Human industry will go on enlarging and diversifying itself so long as the world shall stand.

Let us put this vastly important argument in other and briefer words: the Desires of men which the Efforts of other men can satisfy through exchange are unlimited in number and indefinite in degree; and therefore, mutual industrial efforts can continue to be put forth in exchange, until these unlimited and indefinite desires of all men are all met, — a goal which clearly never can be reached.

This proposition demolishes at a stroke the fallacy, that pervades Dr. Chalmers' book but just now alluded to; and, what is more to the present point, demolishes equally fallacies current and prevalent in the United States at this hour. What our national industries need and all they need, what they always needed and all they ever will need, is a quick market for their products; products in market is the only market for products; but the United States for 30 years past has been putting vast obstacles in the shape of formidable taxation in the way of the presence of products from abroad in our domestic market, and conse-

quently and inexorably the market for domestic products has been lost in foreign countries, to the immense and irreparable damage of domestic producers as well as to the foreign producers themselves.

No general glut of exchangeable products is possible to take place in this world under natural liberty and just law, because under these the diversity of relative advantage and consequently the profitableness of commercial exchanges is all the time widening everywhere, tending to bring the whole earth into a commercial and blessed union.

On the other hand, while a general glut of products is impossible to occur under a decent freedom, a partial glut in respect to certain commodities in certain places is very common. Through want of foresight as to a prospective demand, or miscalculation as to its probable amount, particular services are sometimes offered in too great abundance or of a kind not now adapted to the chosen market, and in respect to these the market may truly be said to be glutted. This frequently happens with editions of books; more copies are printed than can be sold at paying prices. Also, when the fashion changes, which is after all less capricious than is commonly supposed, the goods that were fashionable but are so no longer, are very apt to be somewhere in excess of the demand for them. Nothing can then hinder a partial or total loss in their value in the hands of their last holders. Precautions, however, may well be taken to avoid losses of this character, through the cultivation of foresight, and by studying as accurately as possible the nature of human desires and the not altogether irregular changes that have been observed to take place in them. This constitutes the art of mercantile sagacity; and the most successful producers in all the departments of exchange are those who best develop this attainable

sagacity, who adapt their particular services closest to the existing and to the coming demands; who, to excellence in the substance of their products, add taste and attractiveness to their form; and who, as the result of this, tend rather to lead the fashions of the many than to follow in their wake. It cannot be wrong to repeat here in substance, what has indeed been said already in another connection, that Production as a general rule is no dead level of monotonous exertion,—no going forth and coming back on precisely the same track,—since its sphere is Life with all its wants and Man with all his desires; since there is scope and verge enough for the development of ingenious minds in almost all of its departments; and since its ultimate goal is beyond the ken of man.

5. We must now study with considerable pains the ultimate facts and the essential functions of LANDS in connection with the Production of material commodities. This has always been the most vexed question in our Science; but it is approaching, even if it has not already reached, a satisfactory and final solution. The present writer believes that his own studies and researches have thrown some original and important light upon the perplexing problem of the Value of lands and of their produce. His present readers are surely entitled to his clearest possible presentation of all the facts and principles of this radical question.

The French "physiocrats" of a hundred years ago, founders of the first School in Political Economy, excellent men for the most part as well as good economists in general, thought, that lands were property in a peculiar and eminent sense, that they were the ultimate source of all values but their own, and that consequently lands should bear the weight of the national taxes. English economists, constituting with their followers in other coun-

were then certainly valueless, although some of them were doubtless possessed of Utility, that is, a capacity to gratify human desires through a direct appropriation, which is a very different thing from Value, which last is the rendering and receiving of equivalents as between two persons. It seems very plain, that under this word, "Subdue," and under the human services implied in that, came in the first idea of ownership in land. When a family or tribe commenced the work of subjugation upon a piece of land, when they enclosed it, settled on it, tilled it, in any way whatever improved it by their own toil, then *could* first the idea of ownership dawn upon their minds, then first began that land to be capable of value, since now that family might reasonably say to another, If you want this field, you must give us an equivalent for what we have expended on it to improve it. If the transfer took place, what was it that was sold? What was it that was paid for by the party of the second part? It could not be the inherent quality of the soil, it could not be anything that the first family had gratuitously entered upon, because similar free land with all its inherent qualities lay open to occupation on every hand, and the second family would surely say, For as much effort as you have put upon your land to better it, we can make other free land as good as yours, consequently we can give you no more at the most than a fair equivalent for your efforts already expended. If the parcel were sold, therefore, the *value* of it must have been determined, not by the *gratuitous* elements involved but the *onerous* elements involved. The physical thing, land, which cost nothing, has now become the valuable thing, land, through a series of human efforts expended of such kind as call out human desires for the results reached, and justify the rendering of return-services for them; and that which the buyer pays for is never the free *old* but always the *onerous*

new; new utilities, that cost something, have been added to and intermixed with old utilities, that cost nothing; and solely in consequence of this expenditure of efforts on the part of some men, answering to the desires and calling out the efforts of other men, do parcels of land pass out from the first great class into the second great class. So far as it can be gathered from the nature of the case, and from the known steps of past experience, this is the simple and rational process by which valueless lands become valuable, and *less* valuable become *more* valuable lands.

(d) This line of proof, strong in itself, is strengthened by observing how land-parcels gradually and practically pass out from the second into the third class of lands,—from the Valuable into the Unvalued. As it is only human Efforts wisely bestowed upon valueless lands or in some connection with them, that ever make these valuable, so it is, that these Efforts intermitted for a time, or less wisely bestowed, or reckoned less in harmony with the present and prospective desires of other men, invariably cause a loss of value in valuable lands; and, if such neglect or unwisdom of effort continue long enough, nothing is more certain, than that lands so treated will lose their value altogether, nobody will give anything for them, they will drop out from the second class into the third by the same path (only in inverse order), by which they crept at first from valueless to valuable. Under the writer's own observation in different parts of New England, whole tiers of farms once valuable and productive have lost that character either wholly or for the most part, taxes can no longer be collected from them, nobody will really give anything for them in exchange, they are abandoned of their former owners, they are left to lie waste or to grow up into forest again. It follows from all this beyond a doubt, and the logical issue is one of vast consequence to