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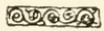
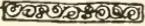
*OF*

*SOCIETY.*

*STEPHEN PEARL ANDREWS.*

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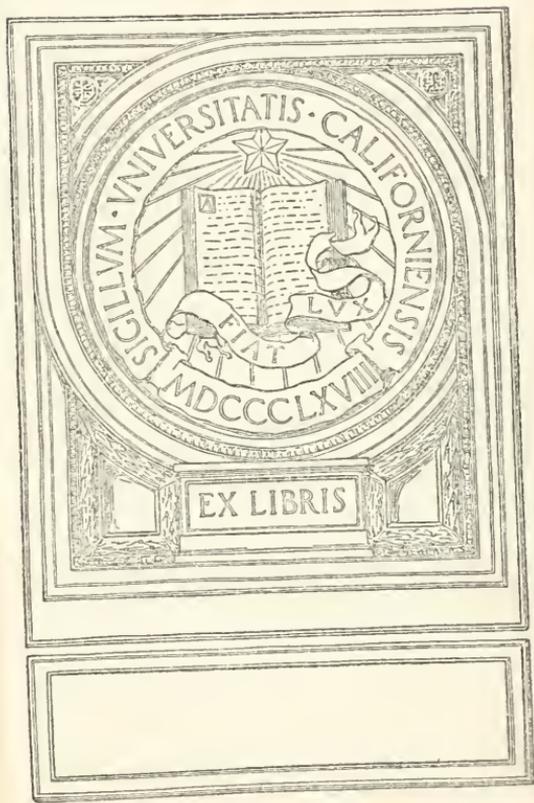


Who loves not  
Knowledge   
Who shall rail  
against her beauty  
May she mix  
with men and   
prosper 



F.C.  
BROWN

Richard Terry Collins





THE SCIENCE OF SOCIETY.

No. 1.

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THE TRUE CONSTITUTION OF GOVERNMENT

IN THE

SOVEREIGNTY OF THE INDIVIDUAL

AS THE

FINAL DEVELOPMENT OF PROTESTANTISM,  
DEMOCRACY AND SOCIALISM.

BY

STEPHEN PEARL ANDREWS.

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BOSTON, MASS.:

SARAH E. HOLMES, PUBLISHER.

1888.



## EXPLANATORY.

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This book was first printed nearly forty years ago. Its seed, for the most part, fell upon stony ground. In consequence of this cold reception, this lack of demand, the work passed through but a few small editions and then disappeared from the market. The author's keen, broad, and untiring mind leading him into new fields of thought, he never reprinted it. Thus, for more than a quarter of a century, it has been practically out of sight, out of mind.

Nevertheless its work has never stopped. Here and there the seed did fall upon oases, and in fertile spots it always took deep root and reproduced its kind. Its children and grand-children and great-grand-children have seldom been conscious of their ancestry, but today the family is so numerous that the branches of its genealogical tree pervade with a growing, and often a controlling, influence every department of what Mr. Andrews happily calls "Man's social *habitat*." It can be only helpful to this family to be made acquainted with its origin, especially when the power of the printing-press enables it to revive and freshly scatter the parent-seed upon a more receptive soil.

Such is the purpose of this new edition of "The Science of Society." The social problem is pressing more closely upon our heels than it was in 1851, and a book expounding as lucidly as this the basic principles in which alone its solution is to be found is greatly needed. The author himself, in the closing years of his life, earnestly desired its republication, and the publisher takes pleasure in the thought that the enterprise would meet his approbation. And not only his, but that of Josiah Warren as well, who was never tired of praising Mr. Andrews's work as in his opinion the soundest exposition that ever had been made or ever could be made of the two principles which he (Mr. Warren) had introduced to the world in his less pretentious work, "True Civilization."

But even if this double incentive of satisfying a public demand and honoring a master's memory were altogether lacking, the publisher might still find abundant justification and encouragement in Robert Browning's lines:

To shoot a beam into the dark, assists :  
To make that beam do fuller service, spread  
And utilize such bounty to the height,  
That assists also, — and that work is mine.

March, 1888.



## INTRODUCTION.

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This little treatise on the True Constitution of Government was delivered as one of the regular course of lectures before the New York Mechanics' Institute for the present winter. It is now published as the introductory number of a contemplated series of publications, presenting certain new principles of society, which it is the belief of the author are eminently adapted to supply the felt want of the present day for an adequate solution of the existing social disturbances. For the principles in question, either as original discoveries, or else as presented in a new light, as solvents of the knotty questions which are now puzzling the most capacious minds and afflicting the most benevolent hearts of Christendom, the author confesses his very great indebtedness, and he believes the world will yet gladly confess its indebtedness, to the genius of Josiah Warren, of Indiana, who has been engaged for more than twenty years in testing, almost in solitude, the practical operation, in the education of children, in the sphere of commerce, and otherwise, of the principles which we are now for the first time presenting prominently to the public.

It has been the belief of the author that there are in the ranks of those who are denominated Conservatives many who sympathize deeply with the objects of radical reform, but who have never identified themselves with the movements in that direction, either because they have not seen that the practical measures proposed by the advocates of reform contained the elements of success, or else because they have distinctly perceived or intuitively felt that they did not. They may have been repelled, too, by the want of completeness in the programme, the want of scientific exactness in the principles announced, or, finally, by the want of a lucid conception of the real nature of the remedy which is needed for the manifold social evils of which all confess the existence in the actual condition of society. If there are minds in this position, minds more rigid than others in their demands for precise and philosophical principles preliminary to action, it is from such that the author anticipates the most cordial reception of the elements propounded by Mr. Warren, so soon as they are seen in their connections and interrelations with each other.

Believing that these principles will justify the assumption, I have ventured to place at the head of this series of publications, as a general title, "The Science of Society."

The propriety of the use of the term "Science" in such a connection may be questioned by some whom habit has accustomed to apply that term to a much lower range of investigations. If researches into the habits of beetles and tadpoles, and their localities and conditions

of existence, are entitled to the dignified appellation of Science, certainly similar researches into the nature, the wants, the adaptations, and, so to speak, into the true or requisite moral and social *habitat* of the spiritual animal called Man must be, if conducted according to the rigid methods of scientific induction from observed facts, equally entitled to that distinction.

The series of works, of which this is the first in order, will deal in no vague aspirations after "the good time coming." They will propound definite principles which demand to be regarded as having all the validity of scientific truths, and which, taken in their co-relations with each other, are adequate to the solution of the social problem. If this pretension be made good, the importance of the subject will not be denied. If not well founded, the definiteness of the propositions will be favorable to a speedy and successful refutation.

S. P. A.

NEW YORK, JANUARY, 1851.

## THE TRUE CONSTITUTION OF GOVERNMENT.

### A LECTURE.

LADIES AND GENTLEMEN:

The subject which I propose to consider this evening is the true constitution of human government.

Every age is a remarkable one, no doubt, for those who live in it. When immobility reigns most in human affairs, there is still enough of movement to fix the attention, and even to excite the wonder of those who are immediately in proximity with it. This natural bias in favor of the period with which we have most to do is by no means sufficient, however, to account for the growing conviction, on all minds, that the present epoch is a marked transition from an old to a new order of things. The scattered rays of the gray dawn of the new era date back, indeed, beyond the lifetime of the present generation. The first streak of light that streamed through the dense darkness of the old *régime* was the declaration by Martin Luther of the right of private judgment in matters of conscience. The next, which shed terror upon the old world, as a new portent of impending revolutions, was the denial by Hampden, Sidney, Cromwell, and others of the divine right of kings, and the assertion of inherent political rights in the people themselves. This was followed by the American Declaration of Independence, the establishment of a powerful Democratic Republic in the western world upon the basis of that principle, followed by the French Revolution, the Reign of Terror, the Reaction, and the apparent death in Europe of the Democratic idea. Finally, in our day, comes the red glare of French Socialism, at which the world is still gazing with uncertainty whether it be some lurid and meteoric omen of fearful events, or whether it be not the actual rising of the Sun of Righteousness, with healing in His wings; for there are those who profoundly and religiously believe that the solution of the social problem will be the virtual descent of the New Jerusalem,—the installation of the kingdom of heaven upon earth.

First in the religious, then in the political, and finally in the social relations of men new doctrines have thus been broached, which are full of promise to the hope-

ful, and full of alarm and dismay to the timid and conservative. This distinction marks the broadest division in the ranks of mankind. In Church and State and social life the real parties are the Progressionists and the Retrogressionists, — those whose most brilliant imaginings are linked with the future, and those whose sweetest remembrances bind them in tender associations to the past. Catholic and Protestant, Whig and Democrat, Anti-Socialist and Socialist, are terms which, in their origin, correspond to this generic division; but no sooner does a new classification take place than the parties thus formed are again subdivided, on either hand, by the ever-permeating tendency, on the one side toward freedom, emancipation, and progress, and toward law and order and immobility on the other.

Hitherto the struggle between conservatism and progress has seemed doubtful. Victory has kissed the banner, alternately, of either host. At length the serried ranks of conservatism falter. Reform, so called, is becoming confessedly more potent than its antagonist. The admission is reluctantly forced from pallid lips that revolutions — political, social, and religious — constitute the programme of the coming age. Reform, so called, for weal or woe, but yet Reform, must rule the hour. The older constitutions of society have outlived their day. No truth commends itself more universally to the minds of men now than that thus set forth by Carlyle: "There must be a new world, if there is to be any world at all. That human things in our Europe can ever return to the old sorry routine, and proceed with any steadiness or continuance there, — this small hope is not now a tenable one. These days of universal death must be days of universal new birth, if the ruin is not to be total and final! It is a time to make the dullest man consider, and ask himself, Whence he came? Whither he is bound? A veritable 'New Era,' to the foolish as well as to the wise." Nor is this state of things confined to Europe. The agitations in America may be more peaceful, but they are not less profound. The foundations of old beliefs and habits of thought are breaking up. The old guarantees of order are fast falling away. A veritable "new era" with us, too, is alike impending and inevitable.

What remains to be done, then, for wise men, is clearly this: to attempt to penetrate the future by investigating the past and the present, to ascertain whether there be not elements of calculation capable of fixing with tolerable certainty the precise point in the sidereal heavens of human destiny toward which our whole system is confessedly verging with accelerated velocity. To penetrate the gloom which encircles the orbit of our future progression might, at least, end the torture of suspense, even to those who may be least content with the nature of the solution. "If," says Carlyle again, "the accursed nightmare that is crushing out the life of us and ours would take a shape, approach us like the Hyrcanian tiger, the Behemoth of Chaos, or the Archfiend himself, — in any shape that we could see and fasten on, — a man can have himself shot with cheerfulness, but it needs that he shall clearly see for what."

It is, then, neither unbecoming nor inappropriate, at this time; to attempt to prognosticate, by philosophical deductions from operative principles the characteristics of the new society which is to be constructed out of the fragments of the old. It is, perhaps, only right that I should begin by declaring the general nature of the results to which my own mind is conducted by the speculations I have made upon the subject, and toward which I shall, so far as I may, endeavor, this evening, to sway your convictions.

I avow that, for one, I take the hopeful, the expectant, even the exulting view of the prospects of humanity, under the influence of causes which, to the minds of many, are pregnant with evil. I hail the progress of that unsparing criticism of old institutions which is the characteristic of the present age. I hail with still higher enthusiasm a dim outline which begins to be perceived by the keenest vision, through the twilight mists which yet hang upon the surrounding hilltops of a social fabric, whose foundations are equity, whose ceiling is security, whose pillars are coöperation and fraternity, and whose capitals and cornices are carved into the graceful forms of mutual urbanity and politeness. It is just to you that I should announce this faith, that you may receive the vaticinations of the prophet with due allowance for the inebriation of the prophetic rhapsody. I proclaim myself in some sense a visionary; but in all ages there have been visionaries whose visions of today have proved the substantial realities of tomorrow.

I shall make no apology for the rashness of the attempt to trace, with a distinct outline, some of the gigantic changes which will occur in the social organization of the world as the necessary outgrowth of principles now at work, and which are becoming every day more potential, in proportion as forces, which have hitherto been deemed antagonistic, converge and coöperate.

I affirm, then, firstly, that there is at this day a marked convergence and a prospective coöperation of principles which have hitherto resisted each other, or, more properly, a development of one common principle in spheres of life so diverse from each other that they have hitherto been regarded as unrelated, if not positively antagonistic. I assert, and shall endeavor to make good the assertion, that the essential spirit, the vital and fundamental principle of the three great modern movements to which I have already alluded,—namely, the Protestant Reformation, the Democratic Revolution, still progressing, and, finally, the Socialist Agitation, which is spreading in multiform varieties of reproduction over the whole civilized world,—is one and the same, and that this common affinity is beginning in various ways to be recognized or felt. If this assertion be true, it is one of immense significance. If Protestantism, Democracy, and Socialism are merely different expressions of the same idea, then, undoubtedly, the confluent force of these three movements will expand tremendously the sweep of their results, in the direction toward which they collectively tend.

What, then, if this be so, is this common element? In what great feature are

Protestantism, Democracy, and Socialism identical? I will answer this interrogatory first, and demonstrate the answer afterward. Protestantism, Democracy, and Socialism are identical in the assertion of the Supremacy of the Individual,—a dogma essentially contumacious, revolutionary, and antagonistic to the basis principles of all the older institutions of society, which make the Individual subordinate and subject to the Church, to the State, and to Society respectively. Not only is this supremacy or SOVEREIGNTY OF THE INDIVIDUAL a common element of all three of these great modern movements, but I will make the still more sweeping assertion that it is substantially the whole of those movements. It is not merely a feature, as I have just denominated it, but the living soul itself, the vital energy, the integral essence or being of them all.

Protestants and Protestant churches may differ in relation to every other article of their creed, and do so differ, without ceasing to be Protestants, so long as they assert the paramount right of private or individual judgment in matters of conscience. It is that, and that only, which makes them Protestants, and distinguishes them from the Catholic world, which asserts, on the contrary, the supreme authority of the church, of the priesthood, or of some dignitary or institution other than the Individual whose judgment and whose conscience is in question. In like manner, Democrats and Democratic governments and institutions may differ from each other, and may vary infinitely at different periods of time, and still remain Democratic, so long as they maintain the one essential principle and condition of Democracy,—namely, that all governmental powers reside in, are only delegated by, and can be, at any moment, resumed by the people,—that is, by the *individuals*, who are first Individuals, and who then, by virtue only of the act of delegating such powers, become *a people*,—that is, a combined mass of Individuals. It is this dogma, and this alone, which makes the Democrat, and which distinguishes him from the Despotist, or the defender of the divine right of kings.

Again, Socialism assumes every shade and variety of opinion respecting the modes of realizing its own aspirations, and, indeed, upon every other point, except one, which, when investigated, will be found to be the paramount rights of the Individual over social institutions, and the consequent demand that all existing social institutions shall be so modified that the Individual shall be in no manner subjected to them. This, then, is the identical principle of Protestantism and Democracy carried into its application in another sphere. The celebrated formula of Fourier that “destinies are proportioned to attractions,” means, when translated into less technical phraseology, that society must be so reorganized that every Individual shall be empowered to choose and vary his own destiny or condition and pursuits in life, untrammelled by social restrictions; in other words, so that every man may be a law unto himself, paramount to all other human laws, and the sole judge for himself of the divine law and of the requisitions of his own individual nature and organization. This is equally the fundamental principle of all the so-

cial theories, except in the case of the Shakers, the Rappites, etc., which are based upon religious whims, demanding submission, as a matter of duty, to a despotic rule, and which embody, in another form, the re adoption of the popish or conservative principle. They, therefore, while they live in a form of society similar in some respects to those which have been proposed by the various schools of Socialists, are, in fact, neither Protestants nor Democrats, and, consequently, not Socialists in the sense in which I am now defining Socialism. The forms of society proposed by Socialism are the mere shell of the doctrine,—means to the end,—a platform upon which to place the Individual, in order that he may be enabled freely to exercise his own Individuality, which is the end and aim of all. We have seen that the shell is one which *may* be inhabited by despotism. Possibly it is unfit for the habitation of any thing else than despotism, which the Socialist hopes, by ensconcing himself therein, to escape. It is possible, even, that Socialism may have mistaken its measures altogether, and that the whole system of Association and combined interests and combined responsibilities proposed by it may be essentially antagonistic to the very ends proposed. All this, however, if it be so, is merely incidental. It belongs to the shell, and not to the substance,—to the means, and not to the end. The whole programme of Socialism may yet be abandoned or reversed, and yet Socialism remain in substance the same thing. What Socialism demands is the emancipation of the Individual from social bondage, by whatsoever means will effect that design, in the same manner as Protestantism demands the emancipation of the Individual from ecclesiastical bondage, and Democracy from political. Whosoever makes that demand, or labors to that end, is a Socialist. Any particular views he may entertain, distinguishing him from other Socialists, regarding practical measures, or the ultimate forms of society, are the mere specific differences, like those which divide the Protestant sects of Christendom.

This definition of Socialism may surprise some into the discovery of the fact that they have been Socialists all along, unawares. Some, on the other hand, who have called themselves Socialists may not at once be inclined to accept the definition. They may not perceive clearly that it is the emancipation of the Individual for which they are laboring, and affirm that it is, on the other hand, the freedom and happiness of the race. They will not however, deny that it is both; and a very little reflection will show that the freedom and happiness of each individual will *be* the freedom and happiness of the race, and that the freedom and happiness of the race can not exist so long as there is any individual of the race who is not happy and free. So the Protestant and the Democrat may not always have a clear intellectual perception of the distinctive principle of their creeds. He may be attached to it from an instinctive sentiment, which he has never thoroughly analyzed, or even from the mere accidents of education and birth.

Protestantism proclaims that the individual has an inalienable right to judge for himself in all matters of conscience. Democracy proclaims that the Individual

has an inalienable right to life, liberty, and the pursuit of happiness. Socialism proclaims that the Individual has an inalienable right to that social position which his powers and natural organization qualify him, and which his tastes incline him to fill, and, consequently, to that constitution or arrangement of the property relations, and other relations of society, whatsoever that may be, which will enable him to enjoy and exercise that right,—the adaptation of social conditions to the wants of each Individual, with all his peculiarities and fluctuations of taste, instead of the moulding of the Individual into conformity with the rigid requirements of a preconceived social organization.

If this be a correct statement of the essential nature of Protestantism, Democracy, and Socialism, then Protestantism, Democracy, and Socialism are not actuated by three distinct principles at all. They are simply three partial announcements of one generic principle, which lies beneath all these movements, and of which they are the legitimate outgrowths or developments, modified only by the fact of a different application of the same principle. This great generic principle, which underlies every manifestation of that universal unrest and revolution which is known technically in this age as “Progress,” is nothing more nor less than “**THE SOVEREIGNTY OF THE INDIVIDUAL.**” It is that which is the central idea and vital principle of Protestantism; it is that which is the central idea and vital principle of Democracy; and it is that which is the central idea and vital principle of Socialism.

This being so, it is high time that the mutual affinity of these movements should be intelligently perceived and recognized both by the friends and the enemies of the movements themselves. It is high time that the scene of the battle-field should be shifted from the right or wrong of any or all of the partial developments of the principle to the essential right or wrong of the principle itself. The true issue is not whether Protestantism be good or evil, whether Democracy be good or evil, nor whether Socialism be good or evil, but whether the naked, bald, unlimited principle of the Sovereignty of the Individual, in human government and the administration of human affairs, be essentially good and true or essentially pernicious and false. This is the issue now up for trial before the world, and the definitive decision of which must be had before the final destiny of mankind upon earth can be even rough-hewn by the most vivid imagination, and certainly before any thing approximating scientific deduction respecting it can be had.

You will please to consider yourselves, Ladies and Gentlemen, as a jury appan-elled to try this issue. I take my position before you as the advocate of the Sovereignty of the Individual, and the defender of the spirit of the present age. If this principle be essentially good and true, then it may be trusted wherever it leads, and the general drift of what the world calls “Progress” is in the right direction, whatever mistakes may be made in matters of detail. If it is a false principle, the sooner we understand that fact the better; but let it be also understood, in that case, that we have much to undo which has been already done, and which has been

supposed to be well done, in these modern times. In that case, Protestantism is all wrong, and Democracy is all wrong; the Whateleys, the Wisemans, the Bronsons, the Windischgratzes, and the Haynaus are philosophers and philanthropists of the right school; and the Luthers, the Channings, the Jeffersons, the Washingtons, and the Kossuths are the world's worst foes,—the betrayers and scourgers which the wrath of an offended Heaven has let loose upon earth, first to delude and then to punish mankind for their sins.

I will first endeavor to set before you a clearer view of the doctrine of the Sovereignty of the Individual, as based upon the principle of the infinite Individuality of things. I will then show that this Sovereignty of the Individual furnishes the law of the development of human society, as illustrated in the progressive movements of modern times. Finally, I shall endeavor to trace the development which is hereafter to result from the further operation of this principle, and to fix, so nearly as may be, the condition of human affairs toward which it conducts, especially in that particular department of human affairs which constitutes the subject of investigation this evening,—namely, the government of mankind.

The doctrine of the Sovereignty of the Individual—in one sense itself a principle—grows out of the still more fundamental principle of "INDIVIDUALITY," which pervades universal nature. Individuality is positively the most fundamental and universal principle which the finite mind seems capable of discovering, and the best image of the Infinite. There are no two objects in the universe which are precisely alike. Each has its own constitution and peculiarities, which distinguish it from every other. Infinite diversity is the universal law. In the multitude of human countenances, for example, there are no two alike, and in the multitude of human characters there is the same variety. The hour which your courtesy has assigned to me would be entirely consumed, if I were to attempt to adduce a thousandth part of the illustrations of this subtle principle of Individuality, which lie patent upon the face of nature, all around me. It applies equally to persons, to things, and to events. There have been no two occurrences which were precisely alike during all the cycling periods of time. No action, transaction, or set of circumstances whatsoever ever corresponded precisely to any other action, transaction, or set of circumstances. Had I a precise knowledge of all the occurrences which have ever taken place up to this hour, it would not suffice to enable me to make a law which would be applicable in all respects to the very next occurrence which shall take place, nor to any one of the infinite millions of events which shall hereafter occur. This diversity reigns throughout every kingdom of nature, and mocks at all human attempts to make laws, or constitutions, or regulations, or governmental institutions of any sort, which shall work justly and harmoniously amidst the unforeseen contingencies of the future.

The individualities of objects are least, or, at all events, they are less apparent when the objects are inorganic or of a low grade of organization. The individual-

ities of the grains of sand which compose the beach, for example, are less marked than those of vegetables, and those of vegetables are less than those of animals, and, finally, those of animals are less than those of man. In proportion as an object is more complex, it embodies a greater number of elements, and each element has its own individualities, or diversities, in every new combination into which it enters. Consequently these diversities are multiplied into each other, in the infinite augmentation of geometrical progression. Man, standing, then, at the head of the created universe, is consequently the most complex creature in existence,—every individual man or woman being a little world in him or herself, an image or reflection of God, an epitome of the Infinite. Hence the individualities of such a being are utterly immeasurable, and every attempt to adjust the capacities, the adaptations, the wants, or the responsibilities of one human being by the capacities, the adaptations, the wants, or the responsibilities of another human being, except in the very broadest generalities, is unqualifiedly futile and hopeless. Hence every ecclesiastical, governmental, or social institution which is based on the idea of demanding conformity or likeness in any thing, has ever been, and ever will be, frustrated by the operation of this subtle, all-pervading principle of Individuality. Hence human society has ever been and is still in the turmoil of revolution. The only alternative known has been between revolution and despotism. Revolutions violently burst the bonds, and explode the foundations of existing institutions. The institution falls before the Individual. Despotism only succeeds by denaturalizing mankind. It extinguishes their individualities only by extinguishing them. The Individual falls before the institution. Judge ye which is best, the man-made or the God-made thing.

In the next place this Individuality is inherent and unconquerable, except, as I have just said, by extinguishing the man himself. The man himself has no power over it. He can not divest himself of his organic peculiarities of character, any more than he can divest himself of his features. It attends him even in the effort he makes, if he makes any, to divest himself of it. He may as well attempt to flee his own shadow as to rid himself of the indefeasible, God-given inheritance of his own Individuality.

Finally, this indestructible and all-pervading Individuality furnishes, itself, the law, and the only true law, of order and harmony. Governments have hitherto been established, and have apologized for the unseemly fact of their existence, from the necessity of establishing and maintaining order; but order has never yet been maintained, revolutions and violent outbreaks have never yet been ended, public peace and harmony have never yet been secured, for the precise reason that the organic, essential, and indestructible natures of the objects which it was attempted to reduce to order have always been constricted and infringed by every such attempt. Just in proportion as the effort is less and less made to reduce men to order, just in that proportion they become more orderly, as witness the difference

in the state of society in Austria and the United States. Plant an army of one hundred thousand soldiers in New York, as at Paris, to preserve the peace, and we should have a bloody revolution in a week; and be assured that the only remedy for what little of turbulence remains among us, as compared with European societies, will be found to be more liberty. When there remain positively no external restrictions, there will be positively no disturbance, provided always certain regulating principles of justice, to which I shall advert presently, are accepted and enter into the public mind, serving as substitutes for every species of repressive laws.

I was saying that Individuality is the essential law of order. This is true throughout the universe. When every individual particle of matter obeys the law of its own attraction, and comes into that precise position, and moves in that precise direction, which its own inherent individualities demand, the harmony of the spheres is evolved. By that means only natural classification, natural order, natural organization, natural harmony and agreement are attained. Every scheme or arrangement which is based upon the principle of thwarting the inherent affinities of the individual monads which compose any system or organism is essentially vicious, and the organization is false,—a mere bundle of revolutionary and antagonistic atoms. It is time that human system builders should begin to discover this universal truth. The principle is self-evident. Objects bound together contrary to their nature must and will seek to rectify themselves by breaking the bonds which confine them, while those which come together by their own affinities remain quiescent and content. Let human system makers of all sorts, then, admit the principle of an infinite Individuality among men, which can not be suppressed, and which must be indulged and fostered, at all events, as one element in the solution of the problem they have before them. If they are unable to see clearly how all external restrictions can be removed with safety to the well-being of society, let them, nevertheless, not abandon a principle which is self-evident, but let them modestly suspect that there may be some other elements in the solution of the same problem, which their sagacity has not yet enabled them to discover. In all events, and at all hazards, this Individuality of every member of the human family must be recognized and indulged, because first, as we have seen, it is infinite, and can not be measured or prescribed for; then, because it is inherent, and can not be conquered; and, finally, because it is the essential element of order, and can not, consequently, be infringed without engendering infinite confusion, such as has hitherto universally reigned, in the administration of human affairs.

If, now, Individuality is a universal law which must be obeyed if we would have order and harmony in any sphere, and, consequently, if we would have a true constitution of human government, then the absolute Sovereignty of the Individual necessarily results. The monads or atoms of which human society is composed are the individual men and women in it. They must be so disposed of, as we have seen,

in order that society may be harmonic, that the destiny of each shall be controlled by his or her own individualities of taste, conscience, intellect, capacities, and will. But man is a being endowed with consciousness. He, and no one else, knows the determining force of his own attractions. No one else can therefore decide for him, and hence Individuality can only become the law of human action by securing to each individual the sovereign determination of his own judgment and of his own conduct, in all things, with no right reserved either of punishment or censure on the part of any body else whomsoever; and this is what is meant by the Sovereignty of the Individual, limited only by the ever-accompanying condition, resulting from the equal Sovereignty of all others, that the onerous consequences of his actions be assumed by himself.

If my audience were composed chiefly of Catholics, or Monarchists, or Anti-Progressionists of any sort, I should develop this argument more at length, for, as I have said, it is the real issue, and the only real issue, between the reformatory and the conservative portions of mankind; but I suppose that I may, with propriety, assume that I am before an auditory who are in the main Protestant and Democratic, and, assuming that, I shall then be authorized to assume, in accordance with the principles I have endeavored to develop, that they are likewise substantially Socialist, according to the definition I have given to Socialism, whether they have hitherto accepted or repudiated the name. It is enough, however, if I address you as Protestants and Democrats, or as either of these. I shall therefore assume, without further dwelling upon the fundamental statement of those principles, that you are ready to admit so much of Individuality and of the Sovereignty of the Individual as is necessarily involved in the propositions of Protestantism or Democracy. I shall assume that I am before an assembly of men and women who sympathize with ecclesiastical and political enfranchisement,—who believe that what the world calls Progress, in these modern times, is in the main real and not sham progress, a genuine and legitimate development of the race. Instead, therefore, of pursuing the main argument further, I will return to, and endeavor more fully to establish, a position which I have already assumed,—namely, that, by virtue of the fact of being either a Protestant or a Democrat, you have admitted away the whole case, and that you are fully committed to the whole doctrine of Individuality and the Sovereignty of the Individual, wherever that may lead.

I assert, then, the doctrine of Individuality, in its broadest and most unlimited sense. I assert that the law of genuine progress in human affairs is identical with the tendency to individualize. In ecclesiastical affairs it is the breaking up of the Church into sects, the breaking up of the larger sects into minor sects, the breaking up of the minor sects, by continual schism, into still minuter fragments of sects, and, finally, a complete disintegration of the whole mass into *individuals*, at which point every human being becomes his own sect and his own church. Does it require any demonstration that this is the natural tendency and the legitimate

development of Protestantism, that it is in fact the necessary and inevitable outgrowth of its own fundamental principle. The History of all Religions in Protestant Christendom is becoming already too voluminous to be written. With the multiplication of sects grows the spirit of toleration, which is nothing else but the recognition of the sovereignty of others. A glance at the actual condition of the Protestant Church demonstrates the tendency to the obliteration of Sectarianism by the very superabundance of sects.

In the political sphere the individualizing tendency of Democracy is exhibited in the distribution of the departments of government into the hands of different depositaries of power, the discrimination of the chief functions of government into the Legislature, the Executive, and the Judiciary, in the division of the Legislature into distinct branches, in the representative system which recognizes the Individuality of different confederated states, and of different portions of the same state, in the divorce of the Church and State, and yet more strikingly than all in the successive surrender to the Individual of one branch after another of what was formerly regarded as the legitimate business of government.

Under the old order of things, government interfered to determine the trade or occupation of the Individual, to settle his religious faith, to regulate his locomotion, to prescribe his hours of relaxation and retirement, the length of his beard, the cut of his apparel, his relative rank, the mode of his social intercourse, and so on continuously, until government was in fact every thing, and the Individual nothing. Democracy, working somewhat blindly, it is true, but yet guided by a true instinct, begotten by its own great indwelling vital principle, the Sovereignty of the Individual, has already substantially revolutionized all that. It has swept away, for the most part, in America at least, the impertinent interference of government with the pursuits, the religious opinions and ceremonies, the travel, the amusements, the dress, and the manners of the citizen. One whole third of the field heretofore occupied by government has thus been surrendered to the Individual. To this point we have already attained, practically, at the precise stage at which we now are in the transition from the past to the future model of the organization of society.

But the principle of Democracy does not stop here. Government still interferes, even in these United States, in some instances, with the social and political *status* of the Individual, as in the case of slavery, with commerce, with the title to the soil, with the validity of private obligations, with the treatment of crime, and, finally, with the marriage and parental relationships of the citizen; and it is obviously an incongruous fact that it interferes with all these, in many instances at least, to the great annoyance of the citizen, who, according to our political theory, is himself the sovereign, and consequently the voluntary fabricator of that which annoys him. To the philosophical mind there is that in this incongruity alone which predicts the ultimate emancipation of the citizen from the restrictions of le-

gislation and jurisprudence, in every aspect of his existence. Accordingly, there is another whole third of the domain hitherto occupied by Government which is at this moment in dispute between it and the Individual. The whole of that legislation which establishes or tolerates that form of human bondage which is called slavery is at this moment undergoing the most determined and vigorous onset of public opinion which any false and tyrannical institution of Government was ever called upon to endure. The full and final abolition of slavery can not but be regarded, by every reflecting mind, as prospectively certain. Such is the fiat of Democracy; such is the inevitable *sequitur* from the Democratic premise of inherent political rights. Government interferes, again, to regulate commerce; but what is the demand of Democracy in relation to that? Nothing short of absolute free trade. Democracy says to Government, Hands off! Let the Individual determine for himself when, and where, and how he will buy and sell. Does any one doubt that Democracy will, in the long run, have its own way in relation to this matter as well, and that tariffs, and custom houses, and collectorships, and the whole lumbering paraphernalia of indirect taxation, which fences out the intercourse of nations, will be looked back upon, in a generation or two, in a light akin to that in which the police system of Fouché, the passport system of the despotic countries of Europe, and the censorship of the press are now regarded by us? Government still interferes to control the public domain; but already an organized and rapidly augmenting political organization is demanding in this country a surrender of this whole subject to the Individual Sovereigns who make the Government, and who need the land. Nor are the modest pretensions of Land Reform, which as yet touch only the public domain, likely to end at that. The very foundation principles of the ownership of land, as vested in individuals and protected by law, can not escape much longer from a searching and radical investigation; and when that comes, the arbitrary legislation of Government will have to give place to such natural and scientific principles regulating the subject as may be evolved. Land Reform, in its present aspect, is merely the prologue to a thorough and unsparing, but philosophical and equitable agrarianism, by means of which either the land itself, or an equal participation in the benefits of the land, shall be secured to the whole people. Science, not human legislation, must finally govern the distribution of the soil. Government, again, interferes with contracts and private obligations. But already the demand is growing loud for the abolition of the usury laws, and a distant murmuring is overheard of the question whether good faith and the maintenance of credit would not be promoted by dispensing with all laws for the collection of debts. Both the statesman and the citizen have observed, not without profound consideration, the significant fact that the fear of the law is less potential for the enforcement of obligations than commercial honor; that the protest of a notary, or even a whisper of suspicion on Change, is fraught with a cogency which neither a bench warrant nor a *capias ad satisfaciendum* ever possessed. Government still

deals with criminals by the old-fashioned process of punishment, but both science and philanthropy concur in pronouncing that the grand remedial agency for crime is prevention, and not cure. The whole theory of vindictive punishment is rapidly obsolescent. That theory once dead, all that remains of punishment is simply defensive. Imprisonment melts into the euphemism, detention; and, while detained, the prisoner is treated tenderly, as a diseased or unfortunate person. Nor does Democracy stop at that. Democracy declares that liberty is an inalienable right, the inherent prerogative of the Individual Sovereign, of which there is no possible defeasance, even by his own act. Democracy therefore claims, or will claim when it better understands the universality of its own pretension, either such conditions of society that criminals shall no longer be made, or else that some more delicate method of guardianship shall be devised which shall respect the dignity with which Democracy invests the Individual man.

When the battles which are thus already waged in these various departments of human affairs between Government and the Individual shall have been finally fought and won, the domain of Government will have shrunk to the merest fragment of its old dimensions. Hardly any sphere of legislation, worthy of the name, will remain, save that of the marriage and parental relations. These are subjects of great delicacy, and form, ordinarily, an insuperable barrier to the freedom of investigation in this direction. It is in connection with these subjects that men shrink with dismay from what they understand to be the programme of Socialism. A brief consideration of the subject, conducted with the boldness and impartiality of science, will demonstrate, however, that the most extreme proposition of Socialism does not transcend, in the least, the legitimate operation of the fundamental principle of either Protestantism or Democracy. There is that, both in one and the other, which, carried simply out to its logical and inevitable conclusion, covers the whole case of marriage and the love relations, and completely emancipates them from the impertinent interference of human legislation. First, what says Protestantism? Why, that the right of private judgment in matters of conscience is paramount to all other authority whatsoever. But marriage has been, in all ages, a subject eminently under the dominion of conscience and the religious sense. Besides, it is one of the best recognized principles of high-toned religionism that every action of the life is appropriately made matter of conscience, inasmuch as the responsibility of the Individual toward God is held to extend to every, even the minutest thing, which the Individual does. No man, we are told, can answer for his brother. This, then, settles the whole question. It abandons the whole subject to the conscience of the Individual. It implies the charge of a spiritual despotism, wholly unwarranted, for any man to interfere with the conscientious determination of any other with regard to it. Nor can it be objected, with any effect, that this rule only applies when the determination of the Individual accords with, and is based upon, his own conscientious conviction, for who shall determine whether it

be so or not? Clearly no one but the Individual himself. Any tribunal assuming to do it for him would be the Inquisition over again, which is the special abhorrence of Protestantism. Such, then, is the Protestant faith. But what, let us inquire, is the Protestant practice? Precisely what it should be, in strict accordance with the fundamental axiom of Protestantism. Every variety of conscience and every variety of deportment in reference to this precise subject of love is already tolerated among us. At one extreme of the scale stand the Shakers, who abjure the connection of the sexes altogether. At the other extremity stands the association of Perfectionists, at Oneida, who hold and practise, and justify by the Scriptures, as a religious dogma, what they denominate complex marriage, or the freedom of love. We have, in this State, stringent laws against adultery and fornication; but laws of that sort fall powerless, in America, before the all-pervading sentiment of Protestantism, which vindicates the freedom of conscience to all persons and in all things, provided the consequences fall upon the parties themselves. Hence the Oneida Perfectionists live undisturbed and respected, in the heart of the State of New York, and in the face of the world; and the civil government, true to the Democratic principle, which is only the same principle in another application, is little anxious to interfere with this breach of its own ordinances, so long as they cast none of the consequences of their conduct upon those who do not consent to bear them.

Such, then, is the unlimited sweep of the fundamental axiom of Protestantism. Such its unhesitating indorsements, both theoretically and practically, of the whole doctrine of the absolute Sovereignty of the Individual. It does not help the matter to assert that it is an irreligious or a very immoral act to do this, or that, or the other thing. Protestantism neither asserts or denies *that*. It merely asserts that there is no power to determine that question higher than the Individual himself. It does not help the matter to affirm that the Scriptures, or the law of God, delivered in any form, have determined the nature and limits of marriage. Protestantism, again, neither denies that proposition nor affirms it. It merely affirms, again, that the Individual himself must decide for himself what the law of God is, and that there is no authority higher than himself to whose decision he can be required to submit. It is arrogance, self-righteousness, and spiritual despotism for me to assume that you have not a conscience as well as I, and that, if you regulate your own conduct in the light of that conscience, it will not be as well regulated in the sight of God as it would be if I were to impose the decisions of my conscience upon you.

In general, however, Government still interferes with the marriage and parental relations. Democracy in America has always proceeded with due deference to the prudential motto, *festina lente*. In France, at the time of the first Revolution, Democracy rushed with the explosive force of escapement from centuries of compression, point blank to the bull's eye of its final destiny, from which it recoiled with such

force that the stupid world has dreamed, for half a century, that the vital principle of Democracy was dead. As a logical sequence from Democratic principle, the legal obligation of marriage was sundered, and the Sovereignty of the Individual above the institution was vindicated. That the principle of Democracy is, potentially, still the same will appear upon slight examination. Democracy denies all power to Government in matters of religion. No Democratic Government does, therefore, or can base its interference with marriage upon the religious ground. It defines marriage to be, and regards it as being, a mere civil contract. It justifies its own interference with it upon the same ground that it justifies its interference with other contracts,—namely, to enforce the civil obligations connected with it, and to insure the maintenance of children. But here, as in the case of ordinary obligations, if the conviction obtains that different conditions of society will render the present relations of property between husband and wife unnecessary, and secure, by the equitable distribution and general abundance of wealth, a universal deference on the part of parents to the dictates of nature in behalf of children, Democracy will cease to make this subject an exception to her dominant principles. A tendency to change these conditions is already shown in the passage of laws to secure to the wife an independent or individual enjoyment of property. Already the observation is made, too, that children are never abandoned among the wealthy classes, and hence the natural inference that the scientific production, the equitable distribution, and the economical employment of wealth would render human laws unnecessary to enforce the first mandate of nature,—hospitality and kindness toward offspring. The doctrine is already considerably diffused that the union of the sexes would be, not only more pure, but more permanent, in the absence, under favorable circumstances, of all legal interference. But whether that be so or not is not now the question. I am merely asserting that the inevitable tendency of Democracy, like that of Protestantism, is toward abandoning this subject to the sovereign determination of the Individual, and that Democracy in this country will attain, only more leisurely, the same point to which it went at a single leap, and from which it rebounded, in France.

It is far less obvious, judging from the practical exhibition which it has hitherto made of itself, that the essential principle of Socialism is, equally with that of Protestantism and Democracy, the Individual Sovereignty. Indeed, Socialism has been attacked and resisted more vigorously than from any other cause in consequence of an instinctive perception that the measures hitherto proposed by it sap the freedom of the Individual. The connected interests and complicated artificial organization proposed by Fourier, and the renunciation of independent ownership contemplated by Communism, have been severely criticised and denounced, and the most so, perhaps, by those who are the most thoroughly imbued with the Protestant and Democratic idea of Individuality. To understand this apparent discrepancy we must distinguish the leading *idea* of Socialism from the *methods*

proposed by its advocates. The two are quite distinct from each other, and it may be that Socialism has mistaken its measures, as every human enterprise is liable to do.

Socialism demands the proper, legitimate, and just reward of labor. It demands that the interests of all shall be so arranged that they shall coöperate, instead of clashing with and counteracting each other. It demands economy in the production and uses of wealth, and the consequent abolition of wretchedness and poverty. To what end does it make these demands? Clearly it is in order that every human being shall be in the full possession, control, and enjoyment of his own person and modes of seeking happiness, without foreign interference from any quarter whatsoever. This, then, is the spirit of Socialism, and it is neither more nor less than a still broader and more comprehensive assertion of the doctrine of the inherent Sovereignty of the Individual. The Socialist proposes association and combined interests merely as a means of securing that which he aims at,—justice, coöperation, and the economies of the large scale. Hence it follows that the Democrat *resists* and the Socialist *advocates* Association and Communism for precisely the same reason. It is because both want identically the same thing. The Democrat sees in connected interests a fatal stroke at his personal liberty,—the unlimited sovereignty over his own conduct,—and dreads the subjection of himself to domestic legislation, manifold committees, and continual and authorized espionage and criticism. The Socialist sees, in these same arrangements, abundance of wealth, fairly distributed among all, and a thousand beneficent results which he knows to be essential conditions to the possession or exercise of that very Sovereignty of the Individual. Each has arrived at one half the truth. The Socialist is right in asserting that all the conditions which he demands are absolutely essential to the development of the individual selfhood. He is wrong in proposing such a fatal surrender of Individual liberty for their attainment as every form of amalgamated interests inevitably involves. The Democrat is negatively wrong in omitting from his programme the absolute necessity for harmonic social relations,—wrong in supposing that there can always be a safe and legitimate exercise of those rights which he declares to be inalienable, short of those superior domestic arrangements which the Socialist demands. It is futile, for example, to talk of removing the restraints of law from marriage, thus guaranteeing freedom in “the pursuit of happiness” in that relation, before the just reward of labor and the consequent prevalence of general wealth shall have created a positive security of condition for women and children. Hence the blunder of Democracy in the old French Revolution, and hence the absolute dependence of Democracy, for the working out of its own principles, upon the happy solution of all the problems of Socialism. Hence, again, the natural affinity of Democracy and Socialism, and the reason why, despite of their mutual misunderstanding, they have recently fallen into each other’s embrace, in France, resounding in the ears of terrified Europe the ominous cry, *Vive la République Démocratique et Sociale.*

The blunder of Socialism is not in its end, but in its means. It consists in propounding a combination of interests which is opposed by the individualities of all nature, which is consequently a restriction of liberty, and which is, therefore, especially antagonistic to the very objects which Socialism proposes to attain. It is this which prevents the harmony of Democracy and Socialism, even in France, from becoming complete, and which renders inevitable the disruption of every attempted social organization which does not end disastrously in despotism,—the inverse mode in which nature vindicates her irresistible determination toward Individuality. Let that feature of the Socialist movement be retrenched, and a method of securing its great ends discovered which shall not be self-defeating in its operation, and from that point Socialism and Democracy will blend into one, and, uniting with Protestantism, lose their distinctive appellations in the generic term of Individual Sovereignty.

Such a principle is already discovered. It is capable of satisfactory demonstration that out of the adoption of a simple change in the commercial system of the world, by which *cost* and not *value* shall be recognized as the limit of *price*, will grow, legitimately, all the wealth-producing, equitable, coöperating, and harmonizing results which Socialism has hitherto sought to realize through the combination or amalgamation of interests, while, at the same time, it will leave, intact, the individualities of existing society, and even promote them to an extent not hitherto conceived of. It is not now, however, the appropriate time to trace out the results of such a principle. We are concerned at present with Individuality and the spirit of the age as connected with governmental affairs.

It is already the axiom of Democracy that that is the best government which governs least,—that, in other words, which leaves the largest domain to the Individual sovereign. It may sound strange, and yet it is rigidly true, that nothing is more foreign to the essential nature of Democracy than the rule of majorities. Democracy asserts that all men are born free and equal,—that is, that every individual is of right free from the governing control of every other and of all others. Democracy asserts, also, that this right is inalienable,—that it can neither be surrendered nor forfeited to another Individual, nor to a majority of other Individuals. But the practical application of this principle has been, and will always be found to be, incompatible with our existing social order. It presupposes, as I have said, the preliminary attainment of the conditions demanded by Socialism. The rule of majorities is, therefore, a compromise enforced by temporary expediency,—a sort of half-way station-house between Despotism, which is Individuality in the concrete, and the Sovereignty of every Individual, which is Individuality in the discrete form.

Genuine Democracy is identical with the no-government doctrine. The motto to which I have alluded looks directly to that end. Finding obstacles in the present social organization to the realization of its theory, Democracy has called a halt

for the present, and consented to a truce. The no-government men of our day are practically not so wise, while they are theoretically more consistent. They are, in fact, the genuine Democrats. It is they who are fairly entitled to the soubriquet of "The unterrified Democracy." They fearlessly face all consequences, and push their doctrine quite out to its logical conclusions. In so doing, they repeat the blunder which was committed in France. They insist upon no government higher than that of the Individual, while they leave in existence those causes which imperatively demand, and will always demand so long as they exist, the intervention of just such restrictive governments as we now have.

It results from all that has been said that the essential principle of Protestantism, of Democracy, and of Socialism, is one and the same; that it is identical with what is called the spirit of the present age; and that all of them are summed up in the idea of the absolute supremacy of the Individual above all human institutions.

What, then, the question returns, is to be the upshot of this movement? If every department of modern reform is imbued with one and the same animating principle; if there be already an obvious convergence, and, prospectively, an inevitable conjunction and coöperation of the three great modern revolutionary forces, Protestantism, Democracy, and Socialism; if, even now, in their disjointed and semi-antagonistic relations, they prove more than a match for hoary conservatism; if, in addition, material inventions and reforms of all sorts concur in the same direction; if, in fine, the spirit of the age, or, more properly, of modern times, and which we recognize also as the spirit of human improvement, tends continually and with accelerated velocity toward the absolute Individualization of human affairs,—what is the inevitable goal to be ultimately reached? I have said that in religious affairs the end must be that every man shall be his own sect. This is the simple meaning of Protestantism, interpreted in the light of its own principles. If the occasion were appropriate, it would be a glorious contemplation to dwell upon that more perfect harmony which will then reign among mankind in the religious sphere,—a unity growing out of infinite diversity, and universal deference for the slightest Individualities of opinion in others, transcending in glory that hitherto sought by the Church in artificial organizations and arbitrary creeds, as far as the new heavens and the new earth will excel the old.

Socialism demands, and will end by achieving, the untrammled selfhood of the Individual in the private relations of life, but out of that universal selfhood shall grow the highest harmonies of social relationship. It is not these subjects, however, that are now specially appropriate. Let us restrict our specific inquiry to the remaining one of the three spheres of human affairs which we have in the general view considered conjointly,—namely, that which relates to human government.

Is it within the bounds of possibility, and, if so, is it within the limits of rational anticipation, that all human governments, in the sense in which government is now spoken of, shall pass away, and be reckoned among the useless lumber of an

experimental age,—that forcible government of all sorts shall, at some future day, perhaps not far distant, be looked back upon by the whole world, as we in America now look back upon the maintenance of a religious establishment, supposed in other times, and in many countries still, to be essential to the existence of religion among men; and as we look back upon the ten thousand other impertinent interferences of government, as government is practised in those countries where it is an institution of far more validity and consistency than it has among us? Is it possible, and, if so, is it rationally probable, that the time shall ever come when every man shall be, in fine, his own nation as well as his own sect? Will this tendency to universal enfranchisement—indications of which present themselves, as we have seen, in exuberant abundance on all hands in this age—ultimate itself, by placing the Individual above all political institutions,—the man above all subordination to municipal law?

To put ourselves in a condition to answer this inquiry with some satisfactory degree of certainty, we must first obtain a clear conception of the necessities out of which government grows; then of the functions which government performs; then of the specific tendencies of society in relation to those functions; and, finally, of the legitimate successorship for the existing governmental institutions of mankind.

I must apologize as well for the incompleteness as for the apparent dogmatism of any brief exposition of this subject. I assert that it is not only possible and rationally probable, but that it is rigidly consequential upon the right understanding of the constitution of man, that all government, in the sense of involuntary restraint upon the Individual, or substantially all, must finally cease, and along with it the whole complicated paraphernalia and trumpery of Kings, Emperors, Presidents, Legislatures, and Judiciary. I assert that the indicia of this result abound in existing society, and that it is the instinctive or intelligent perception of that fact by those who have not bargained for so much which gives origin and vital energy to the reaction in Church and State and social life. I assert that the distance is less today forward from the theory and practice of Government as it is in these United States, to the total abrogation of all Government above that of the Individual, than it is backward to the theory and practice of Government as Government now is in the despotic countries of the old world.

The reason why apology is demanded is this: So radical a change in governmental affairs involves the concurrence of other equally radical changes in social habits, commerce, finance, and elsewhere. I have shown already, I think, that Democracy would have ended in that, had it not been obstructed by the want of certain conditions which nothing but the solution of the problems of Socialism can afford. To discuss the changes which must occur in every department of life, in order to render this revolution in Government practicable, and to prove that those changes now exist in embryo, would be to embrace the whole field of human con-

cerns. That is clearly impossible in the compass of a lecture. But it is equally impossible to adjust the radical changes which I foretell in Government to the notion of the permanency of all other institutions in their present forms. What, then, can be done in this dilemma? I am reduced to a method of treating the subject which demands apology, both for incompleteness and apparent dogmatism. I perceive no possible method open to me but that of segregating the subject of Government from its connection with other departments of life, and deducing from principles and rational grounds of conjecture the changes which it is destined to undergo; and when those changes involve the necessity of other and corresponding changes elsewhere, to assert, as it were, dogmatically, without stopping to adduce the proofs, that these latter changes are also existing in embryo, or actually progressing.

I return now to the necessities out of which Government grows. These are in the broadest generalization: 1, To restrain encroachments, and, 2, To manage the combined interests of mankind.

First, with regard to restraining encroachments and enforcing equity. Is there no better method of accomplishing this end than force, such as existing Governments are organized to apply? I affirm that there is. I affirm that a clear scientific perception of the point at which encroachment begins, in all our manifold pecuniary and moral relations with each other, an exact idea of the requirements of equity, accepted into the public mind, and felt to be capable of a precise application in action, would go tenfold further than arbitrary laws and the sanctions of laws can go, in obtaining the desired results. In saying this, I mean something definite and specific. I have already adverted to the discovery of an exact, scientific principle, capable of regulating the distribution of wealth, and introducing universal equity in pecuniary transactions,—an exact mathematical gauge of honesty,—which, when it shall have imbued the public mind, and formed the public sentiment, and come to regulate the public conduct, will secure the products of labor with impartial justice to all, and tend to remove alike the temptations and the provocations to crime. What that principle does in the sphere of commerce is done in the social and ethical spheres by the doctrine of the Sovereignty of the Individual. Both give to each his own, for it must be continually remembered that the doctrine of the Sovereignty of the Individual demands that I should sedulously and religiously respect your Individuality, while I vindicate my own. These two ground principles, with a few others incident thereto, once accepted and indwelling in the minds of men, and controlling their action, will dispense with force and forcible Government. The change which I contemplate in governmental affairs rests, therefore, upon these prior or concurrent changes in the commercial, ethical, and social spheres. Statesmen and jurists have hitherto dealt with effects instead of causes. They have looked upon crime and encroachment of all sorts as a fact to be remedied, but never as a phenomenon to be accounted for. They have never

gone back to inquire what conditions of existence manufactured the criminal, or provoked or induced the encroachment. A change in this respect is beginning to be observed, for the first time, in the present generation. The superiority of prevention over cure is barely beginning to be admitted,—a reform in the methods of thought which is an incipient stage of the revolution in question. The highest type of human society in the existing social order is found in the parlor. In the elegant and refined reunions of the aristocratic classes there is none of the impertinent interference of legislation. The Individuality of each is fully admitted. Intercourse, therefore, is perfectly free. Conversation is continuous, brilliant, and varied. Groups are formed according to attraction. They are continuously broken up, and re-formed through the operation of the same subtle and all-pervading influence. Mutual deference pervades all classes, and the most perfect harmony, ever yet attained, in complex human relations, prevails under precisely those circumstances which Legislators and Statesmen dread as the conditions of inevitable anarchy and confusion. If there are laws of etiquette at all, they are mere suggestions of principles admitted into and judged of for himself or herself, by each individual mind.

Is it conceivable that in all the future progress of humanity, with all the innumerable elements of development which the present age is unfolding, society generally, and in all its relations, will not attain as high a grade of perfection as certain portions of society, in certain special relations, have already attained?

Suppose the intercourse of the parlor to be regulated by specific legislation. Let the time which each gentleman shall be allowed to speak to each lady be fixed by law; the position in which they should sit or stand be precisely regulated; the subjects which they shall be allowed to speak of, and the tone of voice and accompanying gestures with which each may be treated, carefully defined, all under pretext of preventing disorder and encroachment upon each other's privileges and rights, and can any thing be conceived better calculated or more certain to convert social intercourse into intolerable slavery and hopeless confusion?

It is precisely in this manner that municipal legislation interferes with and prevents the natural organization of society. Mankind legislate themselves into confusion by their effort to escape it. Still, a state of society may perhaps be conceived, so low in social development that even the intercourse of the parlor could not be prudently indulged without a rigid code of deportment and the presence of half a dozen bailiffs to preserve order. I will not deny, therefore, that Government in municipal affairs is, in like manner, a temporary necessity of undeveloped society. What I affirm is that along with, and precisely in proportion to, the social advancement of a people, that necessity ceases, so far as concerns the first of the causes of Government referred to,—the necessity for restraining encroachments.

The second demand for Government is to manage the combined interests of

society. But combined or amalgamated interests of all sorts are opposed to Individuality. The Individuality of interests should be as absolute as that of persons. Hence the number and extent of combined interests will be reduced with every step in the genuine progress of mankind. The cost principle will furnish in its operation the means of conducting the largest human enterprises, under Individual guidance and control. It strips capital of its iniquitous privilege of oppressing labor by earning an income of its own, in the form of interest, and places it freely at the disposal of those who will preserve and administer it best, upon the sole condition of returning it unimpaired, but without augmentation, at the appropriate time, to its legitimate owners.

A glance at the functions which Government actually performs, and the specific tendencies which society now exhibits in relation to those functions, will confirm the statement that all, or most of, the combined interests of society will be finally disintegrated and committed to individual hands. It is one of the acknowledged functions of Government, until now, to regulate commerce. But, as we have already seen, the spirit of the age demands that Government shall let commerce alone. In this country, an important Bureau of the Executive Department of Government is the Land Office. But the public domain is, we have seen, already demanded by the people, and the Land Office will have to be dispensed with. The Army and Navy refer to a state of international relations of which every thing begins to prognosticate the final extinction. The universal extension of commerce and intercommunication, by means of steam navigation, railroads, and the magnetic telegraph, together with the general progress of enlightenment, are rapidly obliterating natural boundaries, and blending the human family into one. The cessation of war is becoming a familiar idea, and with the cessation of war armies and navies will cease of course to be required. It is probable that even the existing languages of the earth will melt, within another century or two, into one common and universal tongue, from the same causes, operating upon a more extended scale, as those which have blended the dialects of the different counties of England, of the different departments of France, and of the kingdoms of Spain into the English, the French, and the Spanish languages respectively. We have premonitions of the final disbanding of the armies and navies of the world in the substitution of a citizen militia, in the growing unpopularity of even that ridiculous shadow of an army, the militia itself, and in the substitution of the merchant steamship with merely an incidental warlike equipment instead of the regular man-of-war. The Navy and War Departments of Government will thus be dispensed with. The State Department now takes charge of the intercourse of the nation with foreign nations. But with the cessation of war there will be no foreign nations, and consequently the State or Foreign Department may in turn take itself away. Patriotism will expand into philanthropy. Nations, like sects, will dissolve into the individuals who compose them. Every man will be his own nation, and, preserving

his own sovereignty and respecting the sovereignty of others, he will be a nation at peace with all others. The term, "a man of the world," reveals the fact that it is the cosmopolite in manners and sentiments whom the world already recognizes as the true gentleman,—the type and leader of civilization. The Home Department of Government is a common receptacle of odds and ends, every one of whose functions would be better managed by Individual enterprise, and might take itself away with advantage any day. The Treasury Department is merely a kind of secretory gland, to provide the means of carrying on the machinery of the other Departments. When they are removed, it will of course have no apology left for continuing to exist. Finances for administering Government will no longer be wanted when there is no longer any Government to administer. The Judiciary is, in fact, a branch of the Executive, and falls of course, as we have seen, with the introduction of principles which will put an end to aggression and crime. The Legislature enacts what the Executive and Judiciary execute. If the execution itself is unnecessary, the enactment of course is no less so. Thus, piece by piece, we dispose of the whole complicated fabric of Government, which looms up in such gloomy grandeur, overshadowing the freedom of the Individual, impressing the minds of men with a false conviction of its necessity, as if it were, like the blessed light of day, indispensable to life and happiness.

There is abundant evidence to the man of reflection that what we have thus performed in imagination is destined to be rapidly accomplished in fact. There is, perhaps, no one consideration which looks more directly to that consummation than the growing unpopularity of politics, in every phase of the subject. In America this fact is probably more obvious than anywhere else. The pursuit of politics is almost entirely abandoned to lawyers, and generally it is the career of those who are least successful in that profession. The general repugnance of the masses of mankind for that class of the community, by which they testify an instinctive appreciation of the outrage upon humanity committed by the attempt to reduce the impertinent interference of legislation to a science, and to practise it as a learned profession, is intensified, in the case of the politician, by the element of contempt. In the sham Democracies, wherein majorities govern, the condition of the office-seeker and of the office-holder is alike and peculiarly unfortunate. Defeated, he is consigned unceremoniously, by popular opinion, to the category of the "poor devil." Successful, he is denounced as a political hack. His position is preëminently precarious. Whatever veneration attaches still to the manufacturers and executors of law among us is mostly traditionary. So much of the popular estimation of the men whose business is governing their fellow-men as is the indigenous growth of our institutions is essentially disrespectful. The politician, in a republic, is a man whose business it is to please everybody, and who, consequently, has no personality of his own, and this, here and now, in a country and age in which distinctive personality is becoming the type and model of society. It is regarded to-

day as a misfortune, in the families of respectable tradespeople, if a son of any promise has an unlucky turn for political preferment. Those who execute the laws are in little better plight than those who make them. Recently, throughout most of the States, when changes have been made in the fundamental law, the tenure of office of judges of all ranks has been reduced to a short period of from two to four years, and the office rendered elective. Such is the fearful descent upon which the dignity of powdered wigs is fairly launched in Republican America, Judges, Chancellors, and Chief Justices entering the canvass, at short intervals, for returns to the Bench, and shaking hands with greasy citizens as the price of judicial authority. It is said that familiarity breeds contempt, or that no man is great to his *valet de chambre*. When the inhabitants of a heathen country begin to treat their priests and their wooden divinities with contemptuous familiarity, wise men see that the power of Paganism is broken, and the Medicine-man, the Fetish, or the Juggernaut must soon give place to some more rational conception of the religious idea. At the ratio of depreciation actually progressing, office-holding of all sorts, in these United States, from the president down to the constable, will, in a few years more, be ranked in the public mind as positively disreputable. In the higher condition of society, toward which mankind is unconsciously advancing, men will shun all responsibility for and arbitrary control over the conduct of others as sedulously as during past ages they have sought them as the chief good. Washington declined to be made king, and the whole world has not ceased to make the welkin ring with laudations of the disinterested act. The time will come yet when the declinature, on all hands, of every species of governmental authority over others will not even be deemed a virtue, but simply the plain dictate of enlightened self-interest. The sentiment of the poet will then be recognized as an axiom of philosophy,

Whoever mounts the throne, — King, Priest, or Prophet, —  
Man alike shall groan.

Carlyle complains, in the bitterness of his heart, that the true kings and governors of mankind have retired in disgust from the task of governing the world, and betaken themselves to the altogether private business of governing themselves. Whenever the world at large shall become as wise as they, when all men shall be content to govern themselves merely, then, and not till then, will "The True Constitution of Government" begin to be installed. Carlyle has but discovered the fact that good men are withdrawing from politics, without penetrating the *rationale* of the phenomenon. He may call upon them in vain till he is hoarse to return to the arena of a contest which has been waged for some six thousand years or so, with continuous defeat, at a time when they are beginning to discover that the whole series of bloody conflicts has been fought with windmills instead of giants, and that what the world wants, in the way of government, is letting alone.

But what then? Have we arrived at the upshot of the whole matter when we

have, in imagination, swept all the actual forms of Government out of existence? Is human society, in its mature and normal condition, to be a mere aggregation of men and women, standing upon the unrelieved dead level of universal equality? Is there to be no homage, no rank, no honors, no transcendent influence, no power, in fine, exerted by any one man over his fellow-men? Will there be nothing substantially corresponding to, and specifically substituted for, what is now known among men as Human Government?

This is the question to which we are finally conducted by the current of our investigations, and to this question I conceive the answer to be properly affirmative. Had I not believed so, there would have been no propriety in the title, "The True Constitution of Government," under which I announced this discourse. It might be thought by some a sufficient answer to the question that principles, and not men, will then constitute the Government of mankind. So vague a statement, however, does not give complete satisfaction to the inquisitive mind, nor does it meet the interrogatory in all its varying forms. We wish to know what will be the positions, relatively to each other, into which men will be naturally thrown by the operation of that perfect liberty which will result from the prevalence and toleration of universal Individuality. We desire to know this especially, now, with reference to that class of the mutual relations of men which will correspond most exactly to the relations of the governors and the governed.

Negatively, it is certain that in such a state of society as that which we are now contemplating no influence will be tolerated, in the place of Government, which is maintained or exerted by force in any, even the subtlest, forms of involuntary compulsion. But there is still a sense in which men are said to exert power,—a sense in which the wills of the governor and the governed concur, and blend, and harmonize with each other. It is in such a sense as this that the great orator is said to control the minds of his auditory, or that some matchless queen of song sways an irresistible influence over the hearts of men. When mankind graduate out of the period of brute force, that man will be the greatest hero and conqueror who levies the heaviest tribute of homage by excellence of achievement in any department of human performance. The avenues to distinction will not be then, as now, open only to the few. Each individual will truly govern the minds, and hearts, and conduct of others. Those who have the most power to impress themselves upon the community in which they live will govern in larger, and those who have less will govern in smaller spheres. All will be priests and kings, serving at the innumerable altars and sitting upon the thrones of that manifold hierarchy, the foundations of which God himself has laid in the constitution of man. Genius, talent, industry, discovery, the power to please, every development of Individuality, in fine, which meets the approbation of another, will be freely recognized as the divine anointing which constitutes him a sovereign over others,—a sovereign having sovereigns for his subjects,—subjects whose loyalty is proved and known,

because they are ever free to transfer their fealty to other lords. With the growing development of Individuality even in this age, new spheres of honorable distinction are continually evolved. The accredited heroes of our times are neither politicians nor warriors. It is the discoverers of great principles, the projectors of beneficent designs, and the executors of magnificent undertakings of all sorts who, even now, command the homage of mankind. While politics are falling into desuetude and contempt, while war, from being the admiration of the world, is rapidly becoming its abhorrence, the artist and the artisan are rising into relative importance and estimation. Even the undistinguished workers, as they have hitherto been, shall hereafter hold seats as Cabinet Ministers in the new hierarchical government, which shall shadow, in those days, with its overspreading magnificence, the dwellings of regenerated humanity. In that stupendous administration, extending from the greatest down to the least things of human concernment, there shall be no lack of functionaries and no limit upon patronage. Of that social state, which opens the avenues of all honorable pursuits to all, upon terms of equity and mutual coöperation, it may be truly said, as was said by the Great Teacher, when speaking of another kingdom,—if indeed it be another,—“In my Father’s house there are many mansions.” The laudable ambition of all will then be fully gratified. There will be no defeated candidates in the political campaigns of that day. Where the interests of all are identical, even the superiority of another is success, and the glory of another is a personal triumph.

A superficial observer might judge that there was more prosperity and power in a petty principality of Germany than there is in the United States of America, because he sees more pomp and magnificence surrounding the court of a puppet prince, whom men call the ruler of that people. No one but an equally superficial observer will mistake the phantom, called Government, which resides in the Halls and Departments at Washington—the mere ghost of what such a Government once was, in its palmy days of despotism—for a nearer approximation to the true organization of Government than that natural arrangement of society which divides and distributes the functions of governing into ten thousand Departments and Bureaus at the homes, in the workshops, and at the universities of the people.

If that trumpety Government be called such, because it performs important public functions, then have we distinguished private individuals among us who are already preëminently more truly Governors than they. If the concern at Washington is legitimately denominated a Government of the people, because it controls and regulates a Post Office Department, for example, then are the Harndens and Adamses Governors too, for they control and regulate a Package Express Department, which is a greater and more difficult thing. They carry bigger bundles, and carry them farther, and deliver them with more regularity and dispatch. It is stated, upon authority which I presume to be reliable, that Adams & Co.’s Express is the most extensive organization of any sort in the world,—that it is, in fact, ab-

solutely world-wide; and yet it is strictly an individual concern. As an instance of the superiority of administration in the private enterprise over the national combination, I was myself at Washington during the last winter, when the mails were interrupted by the breaking up of a railroad bridge between Baltimore and Philadelphia, and when, for nearly two weeks, the newspapers of the Commercial Metropolis were regularly delayed, one whole day, on their way to the Political Metropolis of the country, while the same papers came regularly and promptly through every day by the private expresses. The President, Members of Congress, and Cabinet Ministers, even the Postmaster General himself, was regularly served with the news by the enterprise of a private individual, who performed one of the functions of the Government, in opposition to the Government, and better than the Government, levying tribute upon the very functionary of the Government who was elected, consecrated, and anointed for the performance of that identical function. Who, then, was the true Governor and Cabinet Minister, the Postmaster General, who was daily dispatching messengers to rectify the irregularity, and issuing bulletins to explain and apologize for it, or the Adams Express man, who conquered the difficulty, and served the public, when the so-called Government failed to do it? The fault is that the Government goes by rule, preordained in the form of law, and consequently has no capacity for adapting itself to the Individuality of an unforeseen contingency. It has not the Individual deciding power and promptitude of action which are absolutely necessary for such occasions.

It is the actual performance of the function which is all that there is good in the idea of Government. All that there is besides that is mere restriction, and consequent annoyance and oppression of the public, as when our Government undertook to suppress those private expresses, which serve the public better than it. The point, then, is this: I affirm that every useful function, or nearly every one which is now performed by Government, and the use of which will remain in the more advanced conditions of mankind, toward which the present tendencies of society converge, can be better performed by the Individual, self-elected and self-authorized, than by any constituted Government whatsoever; and further, since it is the performance of the function, and the influence which the performance of the function exerts over the conduct, and to the advantage of men, which makes the true Governor, it follows, I affirm, that the Adams Express man was, in the case I have mentioned, the true Governor, and that the Postmaster General, and the whole innumerable gang of Legislators and Executors of the law at his back, were the sham Governors, such as the world is getting ready to discharge on perpetual furlough.

It is possible that there may be a few comparatively unimportant interests of mankind which are so essentially combined in their nature that some species of artificial organization will always be necessary for their management. I do not, for example, see how the public highways can be properly laid out and administered by the private individual. Let us resort, then, to science for the solution of

this anomaly, for every subject has its science, the true social relations of mankind as well as all others. The inexorable natural law which governs this subject is this: that nature demands everywhere an individual lead. Every combined interest must therefore come ultimately to be governed by an individual mind, to be intrusted, in other words, to a despotism. It is the recognition of this law which is embodied in the political axiom that "power is constantly stealing from the hands of the many into the hands of the few." It is this scientific principle, lying down in the very nature of things, which constitutes both the *rationale* of monarchy and its appropriate apology. The lesson of wisdom to be deduced from this principle is not, however, as our political leaders have preached to us, that "the price of liberty is eternal vigilance,"—a liberty which is not worth possession if it can not be enjoyed in security, and a vigilance which is only required to be exercised in order to defeat the legitimate operation of the most universal and fundamental law of nature. The true lesson of political wisdom is simply this: that no interests should ever be intrusted to a combination which are too important to be surrendered understandingly and voluntarily to the guidance of a despotism. Government, therefore, in the present sense of the term, can never, from the very essential nature of the case, be compatible with the safety of the liberties of the people, until the sphere of its authority is reduced to the very narrowest dimensions,—never until the arbitrary institution of Government shall have shrunk into a mere commission,—a board of overseers of roads and canals, and such other unimportant interests as experience shall prove can not be so readily managed by irresponsible individual action.

It is this latter alone which will then truly merit the imposing title of Government. There is a sense, as I have said, in which that term is fairly applicable to the natural organization of the interrelations of men. If Genin, or Leary, or Knox devises a new fashion for hats, and manufactures hats in the style so devised, and the style pleases you and me, and we buy the hats and wear them, therein is an example, an humble example, perhaps you will think, but still a genuine example, of true Government. The individual hatter is self-elected to his function. I, in giving him the preference over another, express my conviction of his fitness for that function, of his superiority over others. I vote for him. I give him my suffrage. I confirm his election. The abstract statement of the true order of Government, then, is this: it is that Government in which *the rulers elect themselves, and are voted for afterward.*

The uncouth and unscrupulous despot proclaims that he governs mankind in his own right,—the right of the strongest. The modernized and somewhat civilized despot announces that he governs by divine right; that he is the God-appointed ruler of the people, by virtue of the fact that he finds himself a ruler at all. The more modern Democratic Governor claims to rule by virtue of the will of a majority. The true Governor rules by virtue of all these authorizations combined. He rules in his own right, because he is self-elected, and exercises his function in ac-

cordance with his own choice. He rules by authorization of the majority, because it is he who receives the suffrages of the largest number who governs most extensively, and, finally, he, of all men, can be appropriately said to rule by divine right. His own judgment of his own fitness for his function, confirmed by the approval of those whom he desires to govern, are the highest possible evidence of the divinity of his claim, of the fact, in other words, that he was created and designed by God himself for the most perfect performance of that particular function.

What, then, society has to do is to remove the obstructions to this universal self-election, by every Individual, of himself, to that function which his own consciousness of his own adaptation prompts him to believe to be his peculiar God-intended office in life. Throw open the polls, make the pulpit, the school-room, the workshop, the manufactory, the shipyard, and the store-house the universal ballot-boxes of the people. Make every day an election day, and every human being both a candidate and a voter, exercising each day and hour his full and unlimited franchise.

In order to this consummation two conditions are indispensably necessary: the first is the cordial and universal acceptance of this very principle of the absolute Sovereignty of the Individual,—each claiming his own Sovereignty, and each religiously respecting that of all others. The second is the equitable interchange of the products of labor, measured by the scientific law relating to that subject to which I have referred, and the consequent security to each of the full enjoyment and unlimited control of just that portion of wealth which he or she produces, the effect of which will be the introduction of general comfort and security, the moderation of avarice, and the supply of a definite knowledge of the limits of rights and encroachments.

The instrumentalities necessary for hastening the adoption of these principles are likewise, chiefly, two: these are, first, a more intense longing for true and harmonic relations; and, secondly, a clear intellectual conception of the principles themselves, and of the consequences which would flow from their adoption. The first is a highly religious aspiration, the second is a process of scientific induction. One is the soul and the other the sensible body, the spiritual substance and the corporeal form, of social harmony. The teachings of Christianity have inspired the one, the illumination of science must provide the other. Intellectual resources brought to the aid of Desire constitute the marriage of Wisdom with Love, whose progeny is Happiness.

When from the lips of truth one mighty breath  
Shall, like a whirlwind, scatter in its breeze  
The whole dark pile of human mockeries,  
Then shall the race of mind commence on earth,  
And, starting fresh, as from a second birth,  
Man, in the sunshine of the world's new spring,  
Shall walk transparent, like some holy thing.

It would, perhaps, be injudicious to conclude this exhibit of the doctrine of the Individual Sovereignty, without a more formal statement of the scientific limit upon the exercise of that Sovereignty which the principle itself supplies. If the principle were predicated of one Individual alone, the assertion of his Sovereignty, or, in other words, of his absolute right to do as he pleases, or to pursue his own happiness in his own way, would be confessedly to invest him with the attributes of despotism over others. But the doctrine which I have endeavored to set forth is not that. It is the assertion of the concurrent Sovereignty of all men, and of all women, and, within the limits I am about to state, of all children. This concurrence of Sovereignty necessarily and appropriately limits the Sovereignty of each. Each is Sovereign only within his own dominions, because he can not extend the exercise of his Sovereignty beyond those limits without trenching upon, and interfering with, the prerogatives of others, whose Sovereignty the doctrine equally affirms. What, then, constitutes the boundaries of one's own dominions? This is a pregnant question for the happiness of mankind, and one which has never, until now, been specifically and scientifically asked or answered. The answer, if correctly given, will fix the precise point at which Sovereignty ceases and encroachment begins; and that knowledge, as I have said, accepted into the public mind, will do more than laws, and the sanctions of laws, to regulate individual conduct and intercourse. The limitation is this: every Individual is the rightful Sovereign over his own conduct in all things, whenever, and just so far as, the consequences of his conduct can be assumed by himself; or, rather, inasmuch as no one objects to assuming agreeable consequences, whenever, and as far as, this is true of the disagreeable consequences. For disagreeable consequences, endurance, or burden of all sorts, the term "Cost" is elected as a scientific technicality. Hence the exact formula of the doctrine, with its inherent limitation, may be stated thus: "*The Sovereignty of the Individual, to be exercised at his own cost.*"

This limitation of the doctrine, being inherent, and necessarily involved in the idea of the Sovereignty of all, may possibly be left with safety, after the limitation is understood, to implication, and the simple Sovereignty of the Individual be asserted as the inclusive formula. The limitation has never been distinctly and clearly set forth in the announcements which have been made either of the Protestant or the Democratic creed. Protestantism promulgates the one single, bald, unmodified proposition that in all matters of conscience the Individual judgment is the sole tribunal, from which there is no appeal. As against this there is merely the implied right in others to resist when the conscience of the Individual leads him to attack or encroach upon them. It is the same with the Democratic prerogative of the "pursuit of happiness." The limitation has been felt rather than distinctly and scientifically propounded.

It results from this analysis that, wherever such circumstances exist that a person can not exercise his own Individuality and Sovereignty without throwing the

“cost,” or burden, of his actions upon others, the principle has so far to be compromised. Such circumstances arise out of connected or amalgamated interests, and the sole remedy is disconnection. The exercise of Sovereignty is the exercise of the deciding power. Whoever has to bear the cost should have the deciding power in every case. If one has to bear the cost of another’s conduct, and just so far as he has to do so, he should have the deciding power over the conduct of the other. Hence dependence and close connections of interest demand continual concessions and compromises. Hence, too, close connection and mutual dependence is the legitimate and scientific root of Despotism, as disconnection or Individualization of interests is the root of freedom and emancipation.

If the close combination, which demands the surrender of our will to another, is one instituted by nature, as in the case of the mother and the infant, then the relation is a true one, notwithstanding. The surrender is based upon the fact that the child is not yet strictly an Individual. The unfolding of its Individuality is gradual, and its growing development is precisely marked, by the increase of its ability to assume the consequences of its own acts. If the close combination of interests is artificial or forced, then the parties exist toward each other in false relations, and to false relations no true principle can apply. Consequently, in such relations, the Sovereignty of the Individual must be abandoned. The law of such relations is collision and conflict, to escape which, while remaining in the relations there is no other means but mutual concessions and surrenders of the selfhood. Hence, inasmuch as the interests of mankind have never yet been scientifically individualized by the operations of an equitable commerce, and the limits of encroachment never scientifically defined, the axioms of morality, and even the provisions of positive legislation, have been doubtless appropriate adaptations to the ages of false social relations to which they have been applied, as the cataplasm or the sinapism may be for disordered conditions of the human system. We must not, however, reason, in either case, from that temporary adaptation in a state of disease to the healthy condition of society or the Individual. Much that is relatively good is only good as a necessity growing out of evil. The greater good is the removal of the evil altogether. The almshouse and the foundling hospital may be necessary and laudable charities, but they can only be regarded by the enlightened philanthropist as the stinking apothecary’s salve, or the dead flies, applied to the bruises and sores of the body politic. Admitted temporary necessities, they are offensive to the nostrils of good taste. The same reflection is applicable to every species of charity. The oppressed classes do not want charity, but justice, and with simple justice the necessity for charity will disappear or be reduced to a minimum. So in the matter before us. The disposition to forego one’s own pleasures to secure the happiness of others is a positive virtue in all those close connections of interest which render such a sacrifice necessary, and inasmuch as such have hitherto always been the circumstances of the Individual in society, this

abnegation of selfhood is the highest virtue which the world has hitherto conceived. But these close connections of interest are themselves wrong, for the very reason that they demand this sacrifice and surrender of what ought to be enjoyed and developed to the highest extent. The truest and the highest virtue, in the true relations of men, will be the fullest unfolding of all the Individualities of each, and the truest relations of men are those which permit that unfolding of the Individualities of each, not only without collision or injury to any, but with mutual advantage to all,—the reconciliation of the Individual and the interests of the Individual with society and the interests of society,—that composite harmony, or, if you will, unity, of the whole, which results from the discrete unity and distinctive Individuality of each particular monad in the complex natural organization of society.

The doctrine of Individuality, and the Sovereignty of the Individual, involves, then, at this point, two of the most important scientific consequences, the one serving as a guiding principle to the true solution of existing evils in society, and to the exodus out of the prevailing confusion, and the other as a guiding principle of deportment *in* existing society, while those evils remain. The first is that the Sovereignty of the Individual, or, in other words, absolute personal liberty, can only be enjoyed along with the entire disintegration of combined or amalgamated interests; and here the “cost principle” comes in to point out how that disintegration can and must take place, not as isolation, but along with, and absolutely productive of the utmost conceivable harmony and coöperation. The second is that, while people are forced, by the existing conditions of society, to remain in the close connections resulting from amalgamated interests, there is no alternative but compromise and mutual concession, or an absolute surrender upon one side or the other. The innate Individualities of persons are such that every calculation based upon the identity of tastes, or opinions, or beliefs, or judgments, of even so many as two persons, is absolutely certain to be defeated, and as Nature demands an Individuality of lead, one must necessarily surrender to the other whenever the relation demands an identity of action. To quarrel with that necessity is a folly. To deny its existence is a delusion. To enter such combinations with the expectation that liberty and Individuality can be enjoyed in them is a sore aggravation of the evil. Mutual recrimination is added to the inevitable annoyance of mutual restriction. Hence a right understanding of the scientific conditions under which alone Individuality can be indulged, a clear and intelligent perception of the fact that the collisions and mutual contraventions of the combined relation result from nothing wrong in the associated Individuals, but from the wrong of the relation itself, goes far to introduce the spirit of mutual forbearance and toleration, and thus to soften the acrimony and alleviate the burden of the present imperfect and unscientific institutions of society.

Hence, again, as self-sacrifice and denial to one's self of one's own abstract rights

is an absolute necessity of the existing order of things, there is a mutual necessity that we claim that of each other, and, if need be, that we enforce the claim. Herein lies the apology for our existing Governments, and for force as a temporary necessity, and hence the doctrine of Individuality, and the Sovereignty of the Individual, while the most ultra-radical doctrine in theory and final purpose ever promulgated in the world, is at the same time eminently conservative in immediate practice. While it teaches, in principle, the prospective disruption of nearly every existing institution, it teaches concurrently, as matter of expediency, a patient and philosophical endurance of the evils around us, while we labor assiduously for their removal. So far from quarreling with existing Government, when it is put upon the footing of temporary expediency, as distinguished from abstract principle and final purpose, it sanctions and confirms it. It has no sympathies with aimless and fruitless struggles, the recrimination of different classes in society, nor with merely anarchical and destructive onslaughts upon existing institutions. It proposes no abrupt and sudden shock to existing society. It points to a scientific, gradual, and perfectly peaceable substitution of new and harmonious relations for those which are confessedly beset, to use the mildest expression, by the most distressing embarrassments.

I will conclude by warning you against one other misconception, which is very liable to be entertained by those to whom Individuality is for the first time presented as the great remedy for the prevalent evils of the social state. I mean the conception that Individuality has something in common with isolation, or the severance of all personal relations with one's fellow-men. Those who entertain this idea will object to it, because they desire, as they will say, coöperation and brotherhood. That objection is conclusive proof that they have not rightly comprehended the nature of Individuality, or else they would have seen that it is through the Individualization of interests alone that harmonic coöperation and universal brotherhood can be attained. It is not the disruption of relationships, but the creation of distinct and independent personalities between whom relations can exist. The more distinct the personalities, and the more cautiously they are guarded and preserved, the more intimate the relations may be, without collision or disturbance. Persons may be completely individualized in their interests who are in the most immediate personal contact, as in the case of the lodgers at an hotel, or they may have combined or amalgamated interests, and be remote from each other, as in the case of partners residing in different countries. The players at shuttlecock cooperate in friendly competition with each other, while facing and opposing each other, each fully directing his own movements, which they could not do if their arms and legs were tied together, nor even if they stood side by side. The game of life is one which demands the same freedom of movement on the part of every player, and every attempt to procure harmonious coöperation by fastening different individuals in the same position will defeat its own object.

In opposing combinations or amalgamated interests, Individuality does not oppose, but favors and conducts toward coöperation. But, on the other hand, Individuality alone is not sufficient to insure coöperation. It is an essential element of coöperative harmony, but not the only one. It is one principle in the science of society, but it is not the whole of that science. Other elements are indispensable to the right working of the system, one of which has been adverted to. The error has been in supposing that, because the Individuality which is already realized in society has not ultimated in harmony, that Individuality itself is in fault. Instead of destroying this one true element of order, and returning to a worse condition from which we have emerged, the scientific method is to investigate further, and find what other or complementary principles are necessary to complete the well-working of the social machinery.

Regretting that the whole circle of the new principles of society, of which the Sovereignty of the Individual is one, can not be presented at once, I invite you, Ladies and Gentlemen, as occasion may offer, to inform yourselves of what they are, that you may see the subject in its entire connection of parts. In the mean time I submit to your criticism, and the criticism of the world, what I have now offered, with the undoubting conviction that it will endure the ordeal of the most searching investigation, and with the hope that, however it may shock the prejudices of earlier education, you will in the end sanction and approve it, and aid, by your devoted exertions, the inauguration of The True Constitution of Government, with its foundations laid in the Sovereignty of the Individual.

THE SCIENCE OF SOCIETY.

No. 2.

COST THE LIMIT OF PRICE:

A SCIENTIFIC MEASURE OF HONESTY IN TRADE

AS ONE OF THE

FUNDAMENTAL PRINCIPLES IN THE SOLUTION  
OF THE SOCIAL PROBLEM.



## PREFACE.

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The preface of a book is always the last thing written, and generally the last thing read. The author is safe, therefore, in assuming that he is addressing, in what he says in this part of his work, those who are already familiar with the book itself. Availing myself of this presumption, I have a few observations to make of a somewhat practical nature in relation to the effects upon the conduct of the Individual which the acceptance of the principle herein inculcated should appropriately have.

At the first blush it seems as if the Cost Principle presented the most stringent and inexorable law, binding upon the conscience, which was ever announced,—as if no man desiring to be honest could continue for a day in the ordinary intercourse of trade and pursuit of profit. The degree to which this impression will remain with different persons, upon a thorough understanding of the whole subject, will be different according to their organizations. There are powerful considerations, however, to deter any one from making a martyr of himself in a fruitless effort to act upon the true principle while living in the atmosphere, and surrounded by the conditions, of the old and false system.

In the first place, it is impossible, in the nature of things, to apply a principle, the essence of which is to regulate the terms of reciprocity, where no reciprocity exists. The Equitist who should attempt to act upon the Cost Principle in the midst of the prevailing system, and should sell his own products with scrupulous conscientiousness *at cost*, would be wholly unable to obtain the products of others *at cost* in return; and hence his conduct would not procure Equity. He would at most obtain the wretched gratification of cheating himself knowingly and continuously. There is not space in the few pages of a preface to enter into a fundamental statement of the ethical principles involved in the temporary continuance in relations of injustice forced upon us by those upon whom whatever of injustice we commit is inflicted. The question involved is the same as that of War and Peace. A nation desirous of being at peace with all mankind, and tendering such relations to the world, may, nevertheless, be forced into war by the wanton acts of unscrupulous neighbors. Notwithstanding the over-

strained nicety of the sect called Friends, and of non-resistants in such behalf, the common sentiment of enlightened humanity is yet in favor of resistance against unprovoked aggression, while it is at the same time in favor of Universal Peace,—the entire cessation of all War. In like manner, the friends of Equity, the acceptors of the cost principle, do not in any case, so far as I am aware, purpose beggaring themselves, or abandoning any positions which give them the pecuniary advantage in the existing disharmonic relations of society, from any silly or overweening deference even for their own principles. They entertain rational and well-considered views in relation to the appropriate means of inaugurating the reign of Equity. They propose the organization of villages or settlements of persons who understand the principle, and desire to act upon it mutually. They will tender intercourse with “outsiders” upon the same terms; but, if the tender is not accepted, they will then treat with them upon their own terms, so far as it is necessary, or in their judgment best, to treat with them at all. They will hold Equity in one hand and “fight” in the other,—Equity for those who will accept Equity and reciprocate it, and the conflict of wits for those who force that issue. It is not their design to become either martyrs or dupes; martyrdom being, in their opinion, unnecessary, and the other alternative adverse to their tastes.

Still any view of the practical methods of working out the principle which may be here intimated is of course binding upon no one. I state the spirit in which the principle is at present entertained, so far as I know, by those who have accepted it. Every individual must be left free, whether as an inhabitant of the world at large, or of an equitable village, to act under the dictates of his own conscience, his own views of expediency, his own sense of what he can afford to sacrifice in order to abide by the principle rather than sacrifice the principle instead; or, in fine, of whatever other regulating influence he is in the habit of submitting his conduct to. He must be left absolutely free, then, to commit every conceivable breach of the principle itself, since absolute freedom is another of the essential principles of harmonic society. He who is in no freedom to do wrong can never, by any possibility, demonstrate the disposition to do right; besides, whether the absolute or theoretical right is always the practical or relative right, is at least a doubtful question in morals, which each individual must be allowed to judge of solely for himself,—*as of every other question of morals and personal conduct whatsoever,—assuming the Cost.* Hence, even in the act of infringing one of our circle of principles, the individual is vindicating another,—**THE SOVEREIGNTY OF THE INDIVIDUAL**,—and in the fact of his differing from another, from the majority, or from all others, in the moral character of an act, he is merely illustrating another of the same circle of principles,—namely, **INDIVIDUALITY**.

It is found to be the most puzzling of all things to those who commence to examine these principles, beset as they are by the fogs of old ideas, that a social reorganization should be proposed without any *social compact*, the necessity of which has been alike and universally conceded both by Conservatives and Reformers. An illustration may render the matter clear. We do not bring forward a System, a Plan, or a Constitution, to be voted on, adopted, or agreed to, by mankind at large, or by any set of men whatsoever. Nothing of the sort! We point out certain principles in the nature of things which *relate* to the order of human society; in conforming to which mankind will find their affairs harmonically adjusted, and in departing from which they will run into confusion. The knowledge of these principles is science. *It is the same with them as with the principles of Physiology.* We teach them as science. We do not ask that they shall be voted upon or applied under pledges. Man cannot make or unmake them. So far as he knows them, and cordially accepts them as truths, he will be disposed to realize them in act. The human mind has a natural appetency for truth. If there are obstacles in the way of their realization, those obstacles will differ with the circum-

stances of each individual, and the Individual can alone judge of them. Those circumstances may change tomorrow, and then his capacity to act will change. His own appreciation of the subject may change likewise. There is Individuality therefore in his own different states at different periods. The man must be bound by no pledges which imply even so much as that he will be himself the same, in any given respect, at any future moment of time. It is the evil of compacts that the compact becomes sacred and the individual profane, — that man is held to be made for the Sabbath and not the Sabbath for man.

Hereupon there is based the claim that these principles constitute in the appropriate and rigid sense THE SCIENCE OF SOCIETY. It is the property of science that it does not say "By your leave." It exists whether you will or no. It requires neither compacts, constitutions, nor ballot-boxes. It is objectively true. It exists in principles and truths. If you understand and conform, well; if not, woe be unto you. The consequences will fall upon you and scourge you. Hence the government of consequences is itself scientific, which no man-made government is. — Men have sought for ages to discover the science of government; and lo! here it is, that men *cease totally to attempt to govern each other at all!* that they learn to know the consequences of their own acts, and that they arrange their relations with each other upon such a basis of science that the disagreeable consequences shall be assumed by the agent himself.

## THE COST PRINCIPLE.

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### CHAPTER I.

#### PRELIMINARY.—THE NATURE AND NECESSITY OF A SOCIAL SCIENCE.

1. The question of the proper, legitimate, and just reward of labor, and other kindred questions, are becoming confessedly of immense importance to the welfare of mankind. They demand radical, thorough, and scientific investigation. Political Economy, which has held its position for the last half century as one of the accredited sciences, is found in our day to have but a partial and imperfect application to matters really involved in the production and distribution of wealth. Its failure is in the fact that it treats wealth as if it were an abstract thing having interests of its own, apart from the well-being of the laborers who produce it. In other words, human beings, their interests and happiness, are regarded by Political Economy in no other point of view than as mere instruments in the production or service of this abstract Wealth. It does not inquire in what manner and upon what principles the accumulation and dispensation of wealth *should be* conducted in order to eventuate in the greatest amount of human comfort and happiness, and the most complete development of the individual man and woman. It simply concerns itself with the manner in which, and the principles in accordance with which, men and women *are now* employed, in producing and exchanging wealth. It is as if the whole purposes, arrangements, and order of a vast palace were viewed as mere appendages to the kitchen, or contrivances for the convenience of the servants, instead of viewing both kitchen and servants as subordinate parts of the system of life, gaiety, luxury, and happiness which should appropriately inhabit the edifice, according to the design of its projectors.

2. Hence Political Economy is beginning to fall into disrepute as a science (for want of a more extended scope and a *more humanitarian* purpose), and is liable even to lose credit for the good it has done. The questions with which it deals can no longer be regarded as an integral statement of the subject to which they relate. They are coming to be justly estimated as a part only of a broader field of scientific investigation which has but recently been entered upon; and as being incapable of a true solution apart from their legitimate connections with the whole system of the social affairs of mankind. The subject-matter of Political Economy will, therefore, be hereafter embraced in a more comprehensive Social Science, which

will treat of all the interests of man growing out of their interrelations with each other.

3. A criticism somewhat similar to that here bestowed upon Political Economy is applicable to Ethics. It has been the function of writers and preachers upon Morals, hitherto, to inculcate the duty of submitting to the exigencies of false social relations. The Science of Society teaches, on the other hand, the rectification of those relations themselves. So long as men find themselves embarrassed by complicated connections of interest, so that the consequences of their acts inevitably devolve upon others, the highest virtue consists in mutual concessions and abnegation of selfhood. Hence the necessity for Ethics, in that stage of progress, to enforce the reluctant sacrifice, by stringent appeals to the conscience. The truest condition of society, however, is that in which each individual is enabled and constrained to assume, to the greatest extent possible, the *Cost* or disagreeable consequences of his own acts. That condition of society can only arise from a general disintegration of interests,—from rendering the interests of all as completely individual as their persons. The Science of Society teaches the means of that individualization of interests, coupled, however, with coöperation. Hence it graduates the individual, so to speak, out of the sphere of Ethics into that of Personality,—out of the sphere of duty or submission to the wants of others, into the sphere of integral development and freedom. Hence the Science of Society may be said to absorb the Science of Ethics as it does that of Political Economy, while it teaches far more exactly the limits of right by defining the true relations of men. (30, 37)

4. The Science of Society labors indeed under a serious embarrassment from the fact of its comprehensiveness. The changes which the realization of the principles it unfolds would bring about in the circumstances of society make it differ from matters of ordinary science, in the fact of its immediate and complicated effects upon what may be termed the vested interests of the community. It is difficult for men to regard that as purely a question of science which they foresee is a radical reform and revolution as well. Still there are few persons who do not recognize the fact that there is some subtle and undiscovered cause of manifold evils, lying hid down in the very foundations of our existing social fabric, and which it is extremely desirable should be eradicated by some means, however much they may differ with reference to the instrumentalities through which the amelioration is to be sought for. The demand for a thorough investigation of the subject, and a settlement upon true principles of the relations of labor and capital especially, has come up during the last few years with more prominence than ever before, both in Europe and America, and has given rise to the various forms of Socialism which are now agitating the whole world. The real significance and tendency of Socialism are stated in No. 1 of this series of publications, entitled, "The True Constitution of Government, in the Sovereignty of the Individual, as the Final Development of Protestantism, Democracy, and Socialism."

5. Indeed, the inquiry into social evils and remedies has not been generally viewed in the light of a science at all, and Reform of all sorts has become distasteful to many among the more intellectual portion of the community, for the reason that it has not hitherto assumed a more strictly scientific aspect. Neither querulous complaints of the present condition of things, nor brilliant picturings of the imagination, nor vague aspirations after change or perfection, satisfy those whose mental constitution demands definite and tangible propositions, and inevitable logical deductions from premises first admitted or established.

6. There is another portion of the community who object to the investigation of all social questions upon nearly opposite grounds. They assume that the moral and social regeneration of mankind is not the sphere of science, but exclusively that of religion,—that the only admissible method of societary advancement is by the infusion of the religious sentiment into the hearts of men, and the rectification thereby of the affections of the individual, and through individuals of mankind at large.

7. If this proposition be reduced to this statement,—that, if the spirit of every individual in a community is right, the *spirit* of that community, as an aggregate, must be right likewise,—the assertion is a simple truism; but society demands a form as well as a substance, a body no less than a soul; and if that form or body be not a true outgrowth and exponent of the spirit dwelling within, it is affirming too much to say that such a society is rightly constituted. It is the province of science or the intellect to provide the form in which any desire is to be actualized. What Substance is to Form, the Love or Desire is to the intellectual conception of the modes of its realization. Religion deals with the heart or affections; in other words, with the love or desire, which makes up the substance or inherent constituent quality of actions. Science which is born of Wisdom deals with the Forms of action, and teaches that such and such only accord with a given Desire and will eventuate in its realization. The development of the Love or Desire is first in order and first in rank; that of the corresponding Wisdom is nevertheless equally indispensable to the completeness of all that is good and true, in every department of rational being.

8. To illustrate, let us suppose a nation overrun by foreign armies, and its very existence as an independent people threatened, while merely a feeble, heartless, and unorganized resistance is offered. A few patriotic and wise men assemble to consult upon the prospects and the necessities of their country. Immediately a dissension divides them in regard to the cause of their repeated failures to arrest the progress of the enemy. One party asserts that it is a want of military skill, that their country is entirely destitute of the knowledge of tactics and castrametation, which, if understood, would be amply sufficient to enable them to display their whole strength, and to make the most desperate and successful defence. The other party assumes opposite ground. They affirm that the fault is a want of patriotism

among the people. They cite abundant instances to prove that the inhabitants care very little by whom they are governed; that they are, in fine, destitute of that spirit of devotion which is the essence or substance of warlike prowess. Thus divided in views, and jealous upon either side, they waste their time and grow mutually embittered toward each other. At length, after tedious discussions and a long series of acrimonious recriminations, they arrive at the solution in the fact that both parties are right. The people are both destitute of patriotic devotion and of military science. Which, then, is the first want, in order, to be supplied? Clearly the former. Still both are equally essential to the organization of a complete defence. Having accorded in this view, they first disperse themselves as missionaries over the whole country, preaching patriotism. By exciting appeals they arouse the dormant affections of the people for their fatherland, and alarm them for the safety of their wives and little ones. Their efforts are crowned with success. They witness the rising spirit of indignation against the invaders, and of martial heroism on all hands. It spreads from heart to heart, and throbs in the bosoms of the men, and even of the women and children. At this point a new evil displays itself. Fathers, husbands, and sons desert their ripening crops and their unprotected families, and rush together, a tumultuous, unarmed mob, clamorous for war. Confusion and distress succeed to apathy. The danger is increased rather than lessened. Famine and pestilence threaten now to be added to the fury of conquerors incensed by irritating demonstrations of a resistance powerless for defence. Then arises the demand for military science. At this point it is the part of the wise men who control the destinies of the people to abandon their missionary labor and assume the character of commanders and military engineers. Preaching is no longer in order. The man who from over-zeal persists in inflaming the minds of the populace, however well-intentioned, may prove the most deadly enemy of his country. Organization, the forming of companies, the drilling of squads, and the construction of forts are now in demand. Desire, the substance, subsists, demanding of Science the true Form of its manifestation.

9. What Patriotism is to the Science of War for the purpose of defence, the religious sentiment of Love is to the true Science of Society. The hearty recognition of human brotherhood, and the aspiration after true relations with God and man, are, at this day, widely diffused in the ranks of society. Christianity has produced its fruit in the development of right affection far beyond what the religious teachers among us are themselves disposed to credit it for. The demand is not now for more eloquence, and touching appeals, and fervent prayers to swell the heart to bursting with painful sympathies for suffering humanity. The time has come when preaching must give way to action, aspiration to realization, and amiable but fruitless sympathetic affections to fundamental investigation and scientific methods. The true preachers of the next age will be the scientific discoverers and the practical organizers of true social relations among men. The religious objection to Social Science is unphilosophical and suicidal.

10. There is another form in which this objection is sometimes urged by those who claim to understand somewhat the philosophy of progress. They affirm that, if the disposition to do right exist in the Individual or in the community, that disposition will inevitably conduct to the knowledge of the right way; in other words, that Wisdom is a necessary outgrowth of Love; and hence they deduce the conclusion that we need not concern ourselves in the least about discovering the laws of a true social order. The premise of this statement is true, while the conclusion is false. Taken together, it is as if one should assert that the sense of hunger naturally impels men to find the means of subsistence, and hence that no man need trouble himself about food. Let him sit down, quietly relying upon the potency of mere hunger to provide the means of the gratification of his appetite.

11. The very fact of the Socialist agitation of our day, and the continued repetitions in every quarter of the attempt to work out the problem of universal justice and harmony, are the very outgrowth in question of the indwelling desire for truer social relations, and never could have arisen but for the previous existence of that desire. The religionist who denies or ignores this inevitable *sequitur* from the spirit of his own teachings, is like the insane head that first *wills* and then disowns the hand that *performs*.

Science—the rigid, exact, thorough, and inclusive Science of Society—is the only reliable guide to harmonic social relations among men. Neither the ardor of piety, nor the sentiment of brotherhood, nor the desperate devotion of generous enthusiasm, nor the repressive force of a rigid morality, offers any adequate remedy for the existing evils of humanity. All these may be necessary, indispensable, nay, infinitely higher in rank or sanctity, if you will, than the other. But Love must have its complement in Wisdom. To divorce them is to be guilty of “*partialism*,” just where it is of the utmost importance that the movement shall be *integral* and complete.

12. Possibly this statement may enlighten some minds in relation to the existing misunderstanding between the religionists and the Socialists. The former insist upon the spiritual element, the latter upon the scientific, as if the one or the other supplied the whole of what is requisite to a true development of society. Abstractly, the religionist may be said to be the nearest right, inasmuch as substance is prior to form; but practically, and with reference to the present wants of society, the Socialist is nearer the truth. The spiritual element exists already, at least in embryo. The aspiration after better and truer relations is swelling daily, bursting the bands of existing institutions, and demanding knowledge of the true way,—an organized body of the Christian idea of human brotherhood which the living soul may enter, and wherein it may dwell. But neither without the other is complete.

13. So powerful is becoming the sentiment of right that, unless the demand so created be followed by a complete discovery of the methods of its gratification,

there is abundant danger that justice as a blind instinct may prove more destructive than organized oppression. As in the case of the misdirected or ill-directed patriotism in the illustration above, so every right sentiment and affection, without its complement of wisdom, is liable to become pernicious instead of beneficent in its action. If the love the mother bears her child leads her to feed it to excess on candies and comfits, to confine it in close, warm rooms, and guard it from contact with whatever may test and develop its powers of endurance, far better that she loved it less. She needs, in addition to love, a knowledge of Physiology. The Science of Society is to the Community what Physiology is to the Individual; or, rather, it is to the relations of the Individual with others what Physiology is to the relations of the Individual, so to speak, with himself.

14. In the same manner the knowledge on the part of the laboring classes or their friends that they are under an oppressive and exhausting system of the relations of capital and labor does not amount to a knowledge of the true system, into which, when known, it should be their object to bring themselves as rapidly as possible. To discover that true system, by any other means than by long years, perhaps long generations, of fallacious and exhausting experiments, must be the work of *genius, of true science, profound fundamental investigation*, or any other name you choose to bestow upon that faculty and that process by which elementary truths are evolved by contemplating the nature of a subject.

15. The Socialist agitations of the present day are, therefore, eminently dangerous, as much so as the most violent reactionist ever imagined them, unless Science intervenes to point the way to the solution. Religion, nor the dictates of a stringent morality, will ever reconcile men who have once appreciated their inherent, God-given rights, to the permanency of an unjust system by which they are deprived of them. Mere make-shifts and patched-up contrivances will not answer. False methods, such as Strikes, 'Trades' Unions, Combinations of interests, and arbitrary regulations of all sorts, are but temporary palliations ending uniformly in disappointment, and often in aggravation of the evils sought to be alleviated. A distinguished writer upon these subjects says truly: "Establish tomorrow an ample and fair Scale of Prices in every employment under the sun, and two years of quiet and the ordinary mutations of Business would suffice to undermine and efface nearly the whole. No reform *under* the present system, but a decided step *out of* and above that system, is the fit and enduring remedy for the wrongs and oppressions of Labor by Capital. And this must inevitably be a work of time, of patience, of *genius*, of self-sacrifice, and true heroism." In other words, it is the province of Science to discover the true principles of trade as much as it is to discover the laws of every other department of human concerns, and that discovery is an important part of the still more comprehensive Science of Society.

16. If, then, some profound philosopher, whose high authority could command universal belief, were to step forward and announce the discovery of a simple prin-

principle, which—adopted in trade or business—would determine with arithmetical certainty the equitable price to be charged for every article sold, and for every species of property, and for every hour of time bestowed upon its production and distribution, so that labor in every department should get precisely its due reward, and the existing inequalities in the distribution of wealth, and the consequent poverty and wretchedness of the masses, be speedily alleviated and finally removed; and if, in addition, the principle were such that its adoption and practical consequences did not depend upon convincing the intellects or appealing to the benevolence of the wealthy classes, but lay within the compass of the powers of the laboring men themselves; if, still further than this, the principle did not demand, as a preliminary, the extensive coöperation, the mutual and implicit confidence, the complicated arrangements, the extensive knowledge of administration, and the violent change in domestic habits, some one or other of which is involved in nearly every proposition of Socialism, and for which the laboring classes are specially disqualified; if, in one word, this simple principle furnished demonstrably, unequivocally, immediately, and practically, the *means* whereby the laboring classes might *step out* from *under* the present system, and place themselves in a condition of independence *above* that system,—would not this announcement come in good time; would it not be a supply eminently adapted to the present demand of the laboring masses in this country and elsewhere?

With some misgivings as to the prudence of asserting such a faith, *in limine*, I state my conviction that such a principle has been discovered and is now in the possession of a small number of persons who have been engaged in practically testing it, until its regulating and wealth-producing effects have been sufficiently, though not abundantly, demonstrated.

17. JOSIAH WARREN, formerly of Cincinnati, more recently a resident of Indiana, is, I believe, justly entitled to be considered the discoverer of the principle to which I refer, along with several others which he deems essential to the rectification of the social evils of the existing state of society.

The principle itself is one which will not probably strike the reader, when first stated, as either very profound, very practicable in its application, very important in its consequences, and perhaps not even as equitable in itself. It requires thought to be bestowed on each of these points. You will find, however, as you subject it to analysis, as you trace it into its ten thousand different applications, to ownership, to rent, to wages, etc., that it places all human transactions relating to property upon a new basis of exact justice,—that is, it has the perfect, simple, but all-prevailing character of a UNIVERSAL PRINCIPLE.

The question as to the method of commencing to put the principle in operation is a distinct one, and only needs to be considered after the principle itself is understood. I have already observed that it has been and is now being practically tested with entire success.

18. This principle, put into a formula, is thus stated: "COST IS THE LIMIT OF PRICE."

The counter principle upon which all ownership is now maintained and all commerce transacted in the world is that "Value is the limit of price," or, as the principle is generally stated in the cant language of trade, "A thing is worth what it will bring." Between these two principles, so similar that the difference in the statement would hardly attract a moment's attention unless it were specially insisted upon, lies the essential difference between the whole system of civilized cannibalism by which the masses of human beings are mercilessly ground to powder for the accumulation of the wealth of the few, on the one hand, and on the other, the reign of equity, the just remuneration of labor, and the independence and elevation of all mankind.

19. There is nothing apparently more innocent, harmless, and equitable in the world than the statement that a "thing should bring what it is worth," and yet even *that* statement covers the most subtle fallacy which it has ever been given to human genius to detect and expose,—a fallacy more fruitful of evil than any other which the human intellect has ever been beclouded by. (130.)

20. Value has nothing whatever to do, upon scientific principles, as demonstrated by Mr. WARREN, with settling the price at which any article should be sold. *Cost* is the only equitable limit, and by cost is meant the amount of *labor* bestowed on its production, that measure being again measured by the *painfulness* or *repugnance* of the labor itself. (61, 65.)

Value is a consideration for the purchaser alone, and determines him whether he will give the amount of the cost or not. (132.)

21. This statement is calculated to raise a host of objections and inquiries. If one purchaser values an article more highly than another, by what principle will he be prevented from offering a higher price? How is it possible to measure the relative *painfulness* or *repugnance* of labor? What allowance is to be made for superior skill or natural capacity? How is that to be settled? How does this principle settle the questions of interest, rent, machinery, etc.? What is the nature of the practical experiments which have already been made? etc., etc.

22. These several questions will be specifically answered in this treatise upon "The Cost Principle," except the last, which will be more satisfactorily replied to by a work embodying the "Practical Details" of twenty-four years of continuous experiment upon the workings of this and the other principles related to it, and announced by Mr. Warren, which work Mr. Warren is now engaged himself in preparing for the press. These "Practical Details" will relate to the operations of two mercantile establishments conducted at different points, upon the *Cost Principle*, to the education of children, to social intercourse, and, finally, to the complex affairs of a village or town which has grown up during the last four years, under the system of "Equitable Commerce," of which the Cost Principle is the

basis. This work upon "Practical Details" will contain, I may venture to affirm, from a personal knowledge of its character, a body of facts profoundly interesting to the philanthropic and philosophic student of human affairs. It must suffice for the present allusion to assert that there is no one of the circle of principles embraced by Mr. Warren under the general name of "Equitable Commerce," or by myself under the name of "The Science of Society," which has not been patiently, repeatedly, and successfully applied in practice, in a variety of modes, long before it was announced in theory,—a point in which it is thought that these principles differ materially from all the numerous speculations upon social subjects to which the attention of the public has been heretofore solicited.

23. The village to which I have referred is situated in the State of Ohio. It contains as yet only about twenty families, or one hundred inhabitants, having a present prospect of a pretty rapid increase of numbers. I will call it, for the sake of a name by which to refer to it, TRIALVILLE, stating at the same time that this is not the real name of the village, which I do not venture to give, as it might be disagreeable to some of the inhabitants to have the glare of public notoriety at so early a day upon their modest experiment. It might also subject them to visits of mere curiosity, or to letters of inquiry, which, without their consent, I have not the right to impose upon them. Another village upon the same principles is about being organized in the vicinity of New York.

Under the *sobriquet* of TRIALVILLE I shall have occasion, however, to refer to the operations at the former of these villages, which have so far proved successful in a practical point of view that it is deemed, on the part of those most interested in this movement, to be a fitting time, now, to call the public attention more generally to the results. The publication of these treatises is in fact the beginning of that effort, which, if the intentions of those of us who are engaged in the enterprise do not fail of realization, will be more and more continuously and urgently put forth from this time forward. We believe that we have a great mission to fulfill,—a gospel of glad tidings to proclaim,—a practical and immediate solution of the whole problem of human rights and their full fruition to expound. While, therefore, we cannot and would not entirely conceal the enthusiastic feelings by which we are prompted in this effort, still, lest it may be thought that such sentiments may have usurped the province of reason, we invite the most cautious investigation and the most rigid scrutiny, not only of the principles we propound, but also of the facts of their practical working. While, therefore, I do not give the real name or exact location of our trial villages to the public at large, for the reasons I have stated, still we are anxious that all the facts relating to them shall be known, and the fullest opportunity for thorough investigation be given to all who may become in any especial degree interested in the subject. The author of this work will be gratified to communicate with all such, and to reply to such inquiries as they may desire to have answered, upon a simple statement of their interest in

the subject and their wish to know more of it. The real name and location of our trial towns will be communicated to such, and every facility given for investigation.

Arrangements are contemplated for organizing other villages upon the same principles, and establishing an equitable exchange of products between them. It is not the object of the present work, however, to enter into the history or general plan of the movement, but simply to elucidate a single principle of a new science embracing the field of Ethics and of Political Economy.

24. It will be appropriate, in this preliminary statement of the subject, to guard against one or two misapprehensions which may naturally enough arise from the nature of the terms employed, or from the apparently disproportionate importance attached to a simple principle of trade.

The term "Equitable Commerce" does not signify merely a new adjustment of the method of buying and selling. The term is employed, by Mr. Warren, to signify the whole of what I have preferred to denominate the Science of Society, including Ethics, Political Economy, and all else that concerns the outer relations of mankind. At the same time the mutual interchange of products is, as it were, the continent or basis upon which all other intercourse rests. Society reclines upon Industry. Without it man cannot exist. Other things may be of higher import, but it is of primary necessity. Solitary industry does not supply the wants of the individual. Hence trade or the exchange of products. With trade intercourse begins. It is the first in order of the long train of benefits which mankind mutually minister to each other. The term "commerce" is sometimes synonymous with trade or traffic, and at other times it is used in a more comprehensive sense. For that reason it has a double appropriateness to the subjects under consideration. It is employed therefore in the phrase "Equitable Commerce," to signify, *first*, Commerce in the minor sense, as synonymous with "trade," and *secondly*, Commerce in the major sense, as synonymous with the *old* English signification of the word, "conversation,"—*i. e.*, human intercourse of all sorts,—the concrete, or *tout ensemble*, of human relations.

25. I will here show that these investigations take in the whole scope of Commerce in the major sense, after which I will return to the particular consideration and elucidation of the single principle, "COST IS THE LIMIT OF PRICE," which does, indeed, chiefly or primarily relate to Commerce in the minor sense, although the modes in which it affects Commerce in the major sense are almost infinite.

26. According to Mr. Warren, the following is THE PROBLEM TO BE SOLVED in all its several branches:

1. "The proper, legitimate, and just reward of labor."
2. "Security of person and property."
3. "The greatest practicable amount of freedom to each individual."
4. "Economy in the production and uses of wealth."
5. "To open the way to each individual for the possession of land and all other natural wealth."

6. "To make the interests of all to coöperate with and assist each other, instead of clashing with and counteracting each other."

7. "To withdraw the elements of discord, of war, of distrust and repulsion, and to establish a prevailing spirit of peace, order, and social sympathy."

27. And according to him, also, the following PRINCIPLES are the means of the solution:

I. "INDIVIDUALITY."

II. "THE SOVEREIGNTY OF EACH INDIVIDUAL."

III. "COST THE LIMIT OF PRICE."

IV. "A CIRCULATING MEDIUM, FOUNDED ON THE COST OF LABOR."

V. "ADAPTATION OF THE SUPPLY TO THE DEMAND."

28. The mere reading of this programme will suggest the immensity of the scope to which the subject extends. In the present volume I have selected a single principle,—the third among those above named,—and shall adhere to a pretty thorough exposition of it, rather than overload the mind of the reader by bringing into view the whole of a system, covering all possible human relations. A few minds may, from the mere statement of these principles, begin to perceive the rounded outlines of what is, as I do not hesitate to affirm, the most complete *scientific statement* of the problem of human society, and of the fundamental principles of *social science*, which has ever been presented to the world. Most, however, will hardly begin to understand the universal and all-pervading potency of these few simple principles, until they find them elaborately displayed and elucidated. At present I must take the broad license of asserting that they are UNIVERSAL PRINCIPLES, and referring the reader, for what I mean by a universal principle, to what I have to say of the one which I have selected for a particular explanation,—“COST THE LIMIT OF PRICE.”

29. As a mere hint, however, in relation to the others, let us take the last, “ADAPTATION OF THE SUPPLY TO THE DEMAND.” This seems to be a formula relating merely, as, in fact, it does relate mainly, to ordinary commerce,—trade,—commerce in the minor sense. In that sense, it expresses an immense want of civilized society,—nothing less, as Carlyle has it, than a knowledge of the way of getting the supernumerary shirts into contact with the backs of the men who have none. But this same principle introduced into the parlor becomes likewise the regulator of politeness and good manners, and pertains therefore to commerce in the major sense as well. I am, for example, overflowing with immoderate zeal for the principles which I am now discussing. I broach them on every occasion. I seize every man by the button-hole, and inflict on him a lecture on the beauties of Equitable Commerce; in fine, I make myself a universal bore, as every reformer is like to be more or less. But at the moment some urbane and conservative old gentleman politely observes to me, “Sir, I perceive one of your principles is, ‘The Adaptation of the Supply to the Demand.’” I take the hint immediately. My

mouth is closed. I perceive that my lecture is not wanted, — that he does not care to interest himself in the subject. There is no demand, and I stop the supply.

But you are ready to say, Would not the same hint given in some other form stop the impertinence of over-zealous advocacy in any case? Let those answer who have been bored. But suppose it did, could it be done so gracefully, in any way, as by referring the offender to one of the very principles he is advocating, or which he professes? . Again: grant that it have the effect to stop that annoyance, the hint itself is taken as an offence, and the offended man, instead of continuing the conversation upon some other subject that might be agreeable, goes off in a huff, and most probably you have made him an enemy for life. But, in my case, it will not even be necessary for the conservative old gentleman to remind me, — I shall at once recollect that another of my principles is, “THE SOVEREIGNTY OF THE INDIVIDUAL.” One of the highest exercises of that sovereignty is the choice of the subjects about which one will converse and upon which he will bestow his time; hence I recognize cordially his right to exclude my subject, and immediately, gracefully, and good-humoredly I glide off upon some other topic. Then, by a law of the human mind, which it is extremely important to understand, and practically to observe, if it be possible that there should ever arise a demand with him to hear any thing about that subject, my uniform deference for even his prejudices will hasten the time. Indeed, all conservative old gentlemen, who hate reform of all sorts as they do ratsbane, would do well to make themselves at once familiar with these principles, and to disseminate them as the means of defending themselves. Do you begin to perceive that such a mere tradesman-like formula, at first blush, as “THE ADAPTATION OF THE SUPPLY TO THE DEMAND,” becomes one of the highest regulators of good manners, — a part of *the ethics of conversation*, — of the “Equitable Commerce” of gentlemanly intercourse, — as well as what it seems to be, an important element of trade; and do you catch a glimpse of what I mean, when I say that it is a *universal* principle of commerce in the major sense?

30. The doctrine of INDIVIDUALITY is equally universal. I have only to say here that it means the next thing to every thing, when you come to its applications. It means, as applied to persons, that every human being has a distinct character or *individuality* of his own, so that any attempt to classify him with others, or to measure him by others, is a breach of his natural liberty; and, as applied to facts, that no two cases ever occurred precisely similar, and hence that no arbitrary general rule can possibly be applied to cases not yet arisen. It follows, therefore, that all laws, systems, and constitutions whatsoever must yield to the individual, or else that liberty must be infringed; or, in other words, that the Individual is above Institutions, and that no social system can claim to be the true one, which requires for its harmonious operation that the Individual shall be subjected to the system, or to any institutions whatsoever.

We are taught by it that all combinations of interest whatsoever are limitations

upon the exercise of the individuality of the parties, or restrictions upon natural liberty. Hence also, by Individuality, the true practical movement begins with a complete disintegration of all amalgamated interests, such as partnerships, in a manner peculiar to itself. Hence, again, to the casual observer, this movement seems to be in exact antagonism to Association, and the views of Socialism of all the various schools. A more thorough acquaintance with the subject will show, however, that this individualizing of all interests is *the analysis of society*, preliminary to association as *the synthesis*,—as much association as is demanded by the economies, being a growth of that *coöperation* of interests—not combination or amalgamation—which results from the operation of *the Cost Principle*. (3, 37.)

31. THE SOVEREIGNTY OF THE INDIVIDUAL grows out of the more fundamental principle of INDIVIDUALITY, as stated in No. I. of this series. A special occasion called for that treatise, and limited it to a particular application. The extensive nature of the subject in its numerous ramifications will demand a separate work upon Individuality and the Sovereignty of the Individual, which, while they are distinguishable as principles, stand, nevertheless, closely related to each other.

32. A CIRCULATING MEDIUM FOUNDED ON THE COST OF LABOR is, perhaps, not so properly a principle as an indispensable instrument for carrying the Cost principle into practical operation. It is a monetary system, holding to the true or equitable system of Commerce a relation quite similar to that which specie and bank notes now hold to the present false and dishonest system. The subject of equitable money will be treated of more at large in the subsequent chapters, and does not require any further explanation at this point. As such a circulating medium is one of the necessary conditions of working out the true society results, it is classed with principles, along with the means of the solution. (69, 245.)

33. It is claimed that within the circle of these five principles or efficient powers is found every condition of the complete development of a true social order, or, in other words, a full and perfect solution of the social problem stated above. Is that statement of the problem sufficiently comprehensive? Does it include, either directly or consequentially, all which has ever been aimed at by social reformers of any school, and all which is requisite to the full harmony and beauty of human relations? If that be so, and if the assumption just stated be made good, both by exposition and practical results, then have we at length a theory of society strictly entitled to the appellation of a Science,—a movement, precise, definite, and consequential, adequate, on the one hand, to meet the demands of the most exacting intellect, and sufficiently beneficent, on the other, to gratify the desires of the most expansive philanthropy, while in its remoter results it promises to satiate the refined cravings of the most fastidious taste.

34. This volume treats professedly upon the *Cost Principle*. Still each of the principles above stated will necessarily be referred to from time to time. It will

perhaps be well, therefore, that the particular discussion of the principle which I have selected for present consideration should be prefaced by a brief statement of the interrelations and mutual dependence of these several principles upon each other.

It is especially appropriate that something should be shown which will bridge over the seeming gap between so metaphysical a statement as that of the Sovereignty of the Individual, as set forth in the preceding Number, and the merely commercial consideration of an appropriate limit of price. An integral view of the connections of the different parts of this system of principles can only be a final result of a thorough familiarity with their detailed applications and practical effects. At the same time the *fact* that they *are* connected and mutually dependent will appear upon slight examination. For the rest, I must take the license to assert, with great emphasis, the existence of so intimate a relation between them that, if any one of them is omitted, it is totally impossible to work out the proposed results. The others will remain true, but any one of them, or any four of them, are wholly inadequate to the solution. This connection may be established by beginning almost indifferently at any point in the circle. Let us assume, as a starting point, THE ADAPTATION OF THE SUPPLY TO THE DEMAND.

35. BY ADAPTATION OF SUPPLY TO DEMAND is meant a *sufficiency of any variety of product, present at every time and place, to meet the want for that particular product which may be felt at the same time and place.* It is wholly from the defect of such arrangements, in the existing commercial system, as would secure such an adaptation of supply to demand, that society is afflicted with periodical famine or scarcity, or, on the other hand, with gluts of the market, and consequent sacrifice and general bankruptcy, and, far more important than all, because more continuous, with what is called an excess of labor in the various labor markets of the world, by which thousands of men and women able to work and willing to work are deprived of the opportunity to do so. There is no reason in the nature of the case why there should not be as accurate a knowledge in the community of the statistics of supply and demand as there is of the rise and fall of the tides, nor why that knowledge should not be applied to secure a minute, accurate, and punctual distribution of products over the face of the earth, according to the wants of various countries, neighborhoods, and individuals. *The supposed excess of labor is no more an excess than congestion is an excess of blood in the human system.* The scarcity of the circulating medium which is now in use, and which is requisite for the interchange of commodities, is regarded by those who have studied this subject profoundly as the principal difficulty in the way of such an adjustment, but that scarcity itself is only a specific form and instance of the general want of adaptation of supply to demand, which extends far beyond all questions of currency,—the supply of circulating medium being unequal to the demand for it, owing to the expensiveness of the substances selected for such medium, and their consequent total unfitness for the purpose.

36. It follows from what has been said that appropriate arrangements for the adaptation of supply to demand are a *sine quâ non* of a true social order. But the existence of such arrangements is an impossibility in the midst of the prevalence of speculation. But speculation has always existed, and is inherent in the present commercial system, and consequently no adequate adjustment of supply to demand has ever been had, or can ever be had, while that system remains in operation. It is the business of speculation, and hence of the whole mercantile profession, to confuse and becloud the knowledge of the community upon this very vital point of their interests, and to derange such natural adjustment as might otherwise grow up, even in the absence of full knowledge on the subject,—to create the belief that there is excess or deficiency when there is none, and to cause such excess or deficiency in fact when there would otherwise be none, in order to buy cheap and sell dear. Speculation is not only the vital element of the existing system of Commerce, but it will always exist upon any basis of exchange short of the Cost Principle. The Cost Principle extinguishes speculation, as will be shown in the sequel. Herein, then, is the connection between these two of the five conditions of social order. (158.)

37. Let us return now to **THE SOVEREIGNTY OF THE INDIVIDUAL**. This has been shown in the previous work to be also a *sine quâ non* of true human relations. The Sovereignty of the Individual, which is merely the complete enjoyment of personal liberty, the unimpeded pursuit by every individual, of his own happiness in his own way, and the development of his own inherent selfhood, is, in fact, the apex, or culminating point, of the true harmony of society. It was also demonstrated that this Sovereignty cannot possibly be indulged, without continual encroachments upon the equal Sovereignty of others, in any other mode than by a complete disintegration of interests,—a total abandonment of every species of combined or amalgamated ownership, or administration of property. Individuality of Character teaches, in this manner, that, in order to the harmonious exercise of the Sovereignty of the Individual, a disconnection of interests must be had, which is in turn nothing else than another application of the same all-pervading principle of Individuality. Such, then, is the intimate connection between Individuality and the Sovereignty of the Individual. (3, 30.)

38. But again: what is to be the consequence of this general individualization of interests? Such is, to a very great extent, the order of the actual condition of ownership and administration in our existing society, which is, nevertheless, replete with social evils. Indeed, hitherto those evils have been attributed, by Social Reformers, to the prevalent individualization of interests among men, more than to any other cause. Hence they have made war upon it, and proposed combined or amalgamated interests, or extensive partnership arrangements, as the only possible means of securing attractive industry, and coöperation, and economy in the production and uses of wealth. We now assert that, in order to secure what is

more important than all else, the possibility of the free exercise of Individual Sovereignty, an indispensable condition is a still greater amount than now exists of Individuality, or [disconnection in the property relations of men.] We affirm that nearly all that there is good in existing society results from that element. What then follows? Do we abandon the high aims of other Socialists in other respects? Is all thought of coöperation and the economies surrendered by us? Clearly they are, unless some new and hitherto undiscovered element is brought in. To go back from the present field of effort of the Social Reformers to so much of Individuality as can exist in the present order of society, and stop at that alone, is evidently to return to the present social disorder, in which it is sufficiently demonstrated by experience that the exercise of the Sovereignty of the Individual—the point we aim to secure—is itself just as impossible as the other conditions desired. But why is it impossible? For the reason that Individuality of interests, upon which that exercise rests, is itself only partially possible in a social state in which there is a general denial of equity in the distribution of wealth,—equity being what the *Cost Principle* alone can supply. If the woman, or the youth under age, is denied the means of acquiring an independent subsistence, by the fact that they receive less than equivalents for their industry, they are necessarily thrown into a state of dependence upon others. The exercise of their own Sovereignty, then, is obviously an impossibility for them. There are thousands of women, for example, in the higher ranks of society, who never felt the luxury in their lives of spending a shilling that they knew to be actually their own, and never applied to their fathers or husbands for money without the degrading sense of beggary. On the other hand, the husbands and fathers are involved, by the same false pecuniary relations, in an unnecessary and harassing responsibility for the conduct and expenditure of every member of their families, which is equally destructive of their own freedom, or the exercise of their own Sovereignty over themselves. It is the same in the existing relations of the poor and the rich, the hireling and the employer, the master and the slave, and in nearly all the ten thousand ramified connections of men in existing society. By refusing equity in the distribution of wealth; by reducing the earnings of women, and youths, and hired men, and slaves below equivalents; by thus grasping power over others, through the medium of an undue absorption of the products of their industry,—the members of community are brought into the relation of oppressors and oppressed, and both are together and alike involved in a common destiny of mutual restrictions, espionage, suspicious, heartburnings, open destructive collisions, and secret hostility, and each is thereby shorn of the possibility of exercising his prerogative of sovereign control over his own actions.

39. Government of all sorts is adverse to freedom. It destroys the freedom of the subject, directly, by virtue of the fact that he is a subject; and destroys equally the freedom of the governor, indirectly, by devolving on him the necessity of overlooking and attempting, hopelessly, to regulate the conduct of others,—a task

never yet accomplished, and the attempt at which is sufficiently harassing to wear the life out of the most zealous advocate of order. With the greater development of the individuals to be governed the task becomes proportionally the more onerous, until, in our day, the business of governing grows vulgar from its excessive laboriousness.

40. All combinations of interest imply and involve the necessity of government, because nature demands and will have an individual lead. The denial of equity implies and involves the necessity of combinations of interest, by throwing one part of the community into a state of dependence upon the other, authorizing mutual supervision and criticism, and creating mutual restriction and hostility.

41. A man of wealth is said, among us, to be a "man in independent circumstances"; but in truth the man of wealth of our day has not begun to conceive the genuine luxury of perfect freedom,—a freedom which, by immutable laws, can never be realized otherwise than by a prior performance of exact justice.

42. The principles here asserted are universal. The same causes that are upheaving the thrones of Europe are disturbing the domestic tranquillity of thousands of families among us. Red Republicanism in France, African Slavery in America, and the mooted question of the rights of women are one and the same problem. It is the sole question of human liberty, or the Sovereignty of the Individual; and the sole basis upon which the exercise of that Sovereignty can rest is Equity,—the rendering to each of that which is his. *The Cost Principle furnishes the law of that rendering.* That, and that alone, administers Equity. Hence it places all in a condition of independence. It dissolves the relation of protectors and protected by rendering protection unnecessary. It takes away the necessity resulting from dependence for combinations of interest and government, and hence for mutual responsibility for, and interference with, each other's department, by devolving the *Cost*, or disagreeable effects, of the conduct of each upon himself,—submitting him to the government of natural consequences,—the only legitimate government. In fine, the *Cost Principle* in operation renders possible, harmless, and purely beneficent the universal exercise of Individual Sovereignty.

43. Hence it follows that the *Cost Principle* underlies *Individuality*, or the disconnection of interests, in the same manner as *Individuality* itself underlies and sustains the *Sovereignty of the Individual*. Hence, again, the *Cost Principle* is the basis principle or foundation upon which the whole fabric of social harmony rests, as the Sovereignty of the Individual is, as has been said, the apex, or culminating point of the same fabric,—the end and purpose of a true social order. Herein, then, is their intimate and necessary relation to each other.

44. Without Equity as a basis on which to rest, the Sovereignty of the Individual is true still as an abstract principle, but wholly incapable of realization. The Individual Sovereign is so *de jure*, but not *de facto*. He is a Sovereign without dominions, treated as a pretender, and his claims ridiculed by the actual incumbent.

The assertion of Sovereignty is a phantom and a delusion until the Sovereign comes to his own. *The Cost Principle, as the essential element of Equity, gives to each his own, while nothing else can.* Hence, again, the intimate and necessary relation between these two principles.

45. The doctrine of the Sovereignty of the Individual is already beginning to develop itself, originally in an abstract form, in various quarters, and to take a well-defined shape in many minds. It has been announced in substance, recently, by several able writers, not accompanied, however, by the indispensable scientific limitation,—“to be exercised at his own cost,”—without which it is a principle of anarchy and confusion, instead of order. To preach the doctrine, even with the limitation, apart from its basis in equity, is disturbing. It is the announcement to slaves of their inherent right to be free, at the same time that you leave them hopeless of the realization of freedom. It is to unfit men for their present relations while offering them no means of inaugurating truer relations. It is “to curse men’s stars, and give them no sun.” As a preliminary work to the impending reconstruction, the unsettling of men’s minds may be a necessity, but “transitions are painful,” and humanity demands that the interval should be shortened between inspiring a want and actualizing the conditions of its gratification.

46. The essential condition of freedom is disconnection—individualization—disintegration of interests. The essential condition of disconnection is that that be given to each which belongs to each. All harmonic unity is a result or growth from the prior individuality of the separate monads. The old condition of society, of fealty and protection, and consequent mutual amalgamation or combinations of interests, is a species of amorphous conglomerate, of which the past progress of Reform has been the gradual dissolution. Reform and consequent individualization is the tendency of this age. The process thus commenced must go on to completion, until every man and every woman, and, to an appropriate extent, every child, is a perfect Individual, with an interest, an administration, and a destiny solely and emphatically under his or her own control. Out of that condition of things, and concurrently with it, and just in proportion to its completeness, will grow a more intimate harmony, or, if you will, unity of sentiment, and human affections, and mutual regard, begotten purely of attraction, than can be conceived of in the midst of the mutual embarrassment and constraint of our day, and of our order of life. It is only when each individual atom of the dusky mineral is disintegrated from every other, held in complete solution, and allowed to obey, without let or hindrance, the law of its own interior impulse, that each shoots spontaneously to its own place, and that all concur in voluntary union to constitute the pellucid crystal or the sparkling diamond of the mines. So in human affairs, what is feared by the timid conservative as the dissolution of order is, in fact, merely the preliminary stage of the true harmonic Constitution of Society,—the necessary analysis prior to its genuine and legitimate synthesis.

47. The connection of the *Cost Principle* with the *Adaptation of the Supply to the Demand* has been already pointed out. The nature and necessity of an *Equitable Money*, as the instrument of working the *Cost Principle*, will be demonstrated, as previously stated, in a subsequent chapter. In this manner the interrelations of this circle of principles are established, not so fully as the nature of the subject demands, but as much so as the incidental character of the present notice will permit.

48. But, although it may be admitted that we gain something of freedom in the action of the Individual by avoiding combinations of interest, do we not lose, by that means, the benefits of coöperation and the economies of the large scale? This question is important, and demands a satisfactory and conclusive answer. That answer is given in the whole treatise which follows. It is admitted that heretofore no other means for securing those ends have been known. It is asserted, however, that principles are now known by which all the higher results of social harmony can be achieved without that fatal feature of combination, which has promised, but failed, to realize them. Hence we draw a new and technical distinction between *Combination* and *Coöperation*, and insist on that distinction with great rigor. We assert that the true principles of Social Science are totally averse to combinations of interest. At the same time we admit freely that any principles which should not secure the greatest conceivable amount of Coöperation would fail entirely of solving the problem in question.

49. By Combinations are meant partnership interests and community of property or administration, such as confuse, in any degree, or obliterate the lines of Individuality in the ownership or use of property.

50. By Coöperation, or coöperative relations, is meant such an arrangement of the property and industrial interests of the different Individuals of the community that each, in pursuing his own pleasure or benefit, contributes incidentally to the pleasure or benefit of the others.

51. We assume the burden of proof. We admit the obligation resting upon us to establish the position that extreme Individuality or disconnection of interests is compatible—contrary to all previous opinion—with as thorough and extended Coöperation as can exist in any system of Combinations whatsoever.

52. It must not be understood that disconnection of interests implies, in the slightest degree, an isolation of persons. A hundred or a thousand men may be engaged in the same shop, and still their interests be entirely individualized. Such is the case now under the present wages system. The laborers in a manufacturing establishment, for example, have no common interest, no partnership, no combined responsibilities. Their interests are completely individualized, and yet they work together. This is all right. It is not at this point that the evil lurks which the Socialist seeks, or should seek, to remedy. Besides this, these men and women now coöperate completely in their labor. They all work at distinct func-

tions to a common end, which is Coöperation. The evil to be remedied is neither in their individuality of interests nor in any want of Coöperation. It is solely in the want of mutuality in the results of that Coöperation,—in other words, in the want of *Equity*,—in the want of a regulating principle which would secure to each the full, legitimate results of his own labor. The difficulty is that the whole hundred, or the whole thousand men now labor and coöperate, not for their own benefit, but for the benefit of one,—the employer. Under the operation of the Cost Principle their interests will be individual as they are now; they will coöperate as they do now, or, rather, more perfectly, but they will coöperate for their own mutual benefit,—the employer, or chief, receiving, like all others, merely the equivalent and reward of his own labor.

53. I feel painfully that by attempting such a condensation of these matters I am liable to render myself wofully obscure. I will take a special occasion to show that “Equitable Commerce” is not the antagonist of any other of the great Reforms proposed, but that it comes in as the harmonizer of the whole. If it be claimed by his admirers that Fourier has shown “the what” of harmonic social relations, Warren shows “the how” to realize such relations, in which last respect Social Reformers generally have been lamentably deficient.

54. I will conclude by stating how the Cost Principle, in its operation, will address itself to the different classes of community, so that those who feel no demand need not be over-burdened by the supply.

The whole community may be divided, under this system,—not according to the old classification of Political Economy into producers and non-producers,—but into those who receive more than equivalents for their labor and those who receive less than equivalents,—those who perform no productive labor and receive a living or more than that being included in the former class.

Of these classes, the latter—all those who receive less than equivalents, including the great mass of simple operatives who have not the aid of capital—have an immediate and pecuniary interest in at once adopting the principle.

The remaining class—those who receive more than equivalents—have no *such* interest, but contrariwise. Of these only such as are moved by considerations of benevolence or justice, or the love of order and harmony in human relations, or by the sense of insecurity even for the rich in the existing order of society, or by an appreciation of the higher gratifications of taste through the general prevalence of refinement, luxury, and wealth, have any demand for this new principle of commerce; and so soon as those with whom such considerations are not potential have read enough to know how equivalents can be measured, and that they are now on the gaining side, they will need no further supply of this reform, and the reform must go on without them, as it best may. There are only distant advantages to offer them, and as they have the immediate advantages in their own hands, they must be expected to do the best they can to retain them. The peculiarity of the movement is, however, that it does not proceed by their leave.

## CHAPTER II.

## EQUITY AND THE LABOR NOTE.

55. HUMAN beings are subject to various wants. Some of these wants have to be supplied to sustain life at all; others to render life comfortable and happy. If an individual produced, with no aid from others, all the numerous things requisite to supply his wants, the things which he produced—his products—would belong to himself. He would have no occasion to exchange with others, and they would have no equitable claims upon him for any thing which was his.

56. But such is not the case. We all want continually for our own support or comfort those things which are produced by others. Hence we exchange products. Hence comes trade,—buying and selling,—Commerce, including the hiring of the labor of others. Trade is, therefore, a necessity of human society, and consists of the exchange of the labor, or the products of the labor, of one person, for the labor, or the products of the labor, of another person.

57. It is clear, if this exchange is not equal, if one party *gives* more of his own labor—either in the form of labor or product—than he *gets* of the labor of the other,—either in the form of labor or product,—that he is oppressed, and becomes, so far as this inequality goes, the slave or subject of the other. He has, just so far, to expend his labor, not for his own benefit, but for the benefit of another. To produce good or beneficent results from trade, therefore, the exchanges should be equal. Hence it follows that the essential element of beneficent Commerce is EQUITY, or *that which is just and equal between man and man.*

58. The fundamental inquiry, therefore, upon the answer to which, alone, a *Science of Commerce* can be erected, is the true measure of Equity, or, what is the same thing, the measure of *price* in the exchange of labor and commodities. This question is one of *immense* importance, and, strange to say, it is one which has never received the slightest consideration, which has never, indeed, been raised either by Political Economists, Legislators, or Moralists. The only question discussed has been, what it is which *now* regulates price,—never what should regulate it. It is admitted, nevertheless, that the present system of Commerce distributes wealth most unjustly. Why, then, should we not ask the question, What principle or system of Commerce would distribute it justly? Why not apply our philosophy to discovering the true system, rather than apply it to the investigation of the laws according to which the false system works out its deleterious results.

59. Simple Equity is this, that *so much of YOUR labor as I take and apply to MY benefit, so much of MY labor ought I to give you to be applied to YOUR benefit; and, consequently, if I take a product of your labor instead of the labor itself, and pay you in a product of my labor, the commodity which I give you ought to be one in which there is JUST AS MUCH LABOR as there is in the product which I receive.*

The same idea may be differently presented in this manner. It is Equity that *every individual should sustain just as much of the common burden of life as has to be sustained BY ANY BODY on his account.* Such would be the result if each produced for himself all that he consumed, as in the first case supposed above; and the fact that it is found convenient to exchange labor and the products of labor does not vary the definition of Equity in the least.

60. To a well-regulated mind the preceding propositions present an obvious and self-evident truth, like the proposition that two and two make four, demanding no other proof than the statement itself. Yet simple and undeniable as they appear, when thus distinctly propounded, the consequences which inevitably follow from the principle which they affirm are ultra-radical and revolutionary of all our existing commercial relations, as will be shown in the subsequent chapters of this work. They contain merely, however, a statement of the *Principle* of Equity. They leave the question of the *Method* of making an application of the principle still open. They do not furnish the means of arriving at the *measure* of Equity. This, then, is the next step in the investigation.

61. If I exchange my labor against yours, the first measure that suggests itself for the relative amount of labor performed by each is the length of time that each is employed. If all pursuits were equally laborious, or, in other words, if all labor were equally repugnant or toilsome,—if it *cost* equal amounts of human suffering or endurance for each hour of time employed in every different pursuit, then it would be exact Equity to exchange one hour of labor for one other hour of labor, or a product which has in it one hour of labor for another product which has in it one hour of labor the world over. Such, however, is not the case. Some kinds of labor are exceedingly repugnant, while others are less so, and others still more pleasing and attractive. There are differences of this sort which are agreed upon by all the world. For example, sweeping the filth from the streets, or standing in the cold water and dredging the bottom of a stream, would be, by general consent, regarded as more repugnant, or, in the common language on the subject, *harder work*, than laying out a garden, or measuring goods.

But besides this general difference in the *hardness* or *repugnance* of work, there are individual differences in the feeling toward different kinds of labor which make the *repugnance* or *attraction* of one person for a particular kind of labor quite different from that of another. Labor is repugnant or otherwise, therefore, more or less, according to the *individualities* of persons.

If you inquire among a dozen men what each would prefer to do, you will find

the greatest diversity of choice, and you will be surprised to find some choosing such occupations as are the least attractive to you. It is the same among women as respects the labors which they pursue.

62. It follows from these facts that Equity in the exchange of labor, or the products of labor, cannot be arrived at by measuring the labor of different persons *by the hour* merely. Equity is the equality of burdens according to the requirements of each person, or, in other words, the assumption of as much burden by each person as has to be assumed by somebody, on his account, so that no one shall be living by imposing burdens on others. Time is one element in the measurement of the burdens of labor, but the different degrees of repugnance in the different kinds of labor prevent it from being the only one. Hence it follows that there must be some means of measuring *this repugnance itself*,—in other words, of determining the relative *hardness* of different kinds of work,—before we can arrive at an equitable system of exchanging labor and the products of labor. If we could measure the general average of repugnance,—that is, if we could determine how people generally regard the different kinds of labor as to their agreeableness or disagreeableness,—still that would not insure Equity in the exchange between individuals, on account of those *individualities of character and taste* which have been adverted to. It is an equality of burden between the *two* individuals who exchange which must be arrived at, and *that* must be according to the estimate which *each* honestly forms of the repugnance to *him* or *her* of the particular labor which he or she performs, and which, or the products of which, are to be exchanged.

63. It is important for reasons of practical utility to arrive at a general or average estimate of the relative repugnance of different kinds of labor, especially of the most common kinds, and that is done under the operation of the Cost Principle, as hereafter pointed out (195); but, as we have seen, if we had already arrived at it, it would not be a sufficiently accurate measure of Equity to be applied *between individuals*; while, on the other hand, this average itself can only be based upon individual estimates. The average which now exists in the public mind, by which it is understood that field labor, in cultivating grain, for example, is neither the hardest nor the easiest kind of work, and that sewing or knitting is not so repugnant as washing or scrubbing, rests upon the general observation of individual preferences.

64. It follows, therefore, in order to arrive at a satisfactory measure of Equity, and the adoption of a scientific system of commerce: 1. That some method must be devised for comparing the relative repugnance of different kinds of labor. 2. That, in making the comparison, *each individual* must make his or her own estimate of the repugnance to him or her of the labor which he or she performs, and 3. That there should be a sufficient motive in the results or consequences to insure an honest exercise of the judgment, and an honest expression of the real feelings of each, in making the comparison.

65. I.—*That some method should be devised for comparing the relative repugnance of different kinds of labor.* This is extremely simple. All that is necessary is to agree upon some particular kind of labor, the average repugnance of which is most easily ascertained, or the most nearly fixed, and use it as a *standard of comparison*, a sort of *yard-stick* for measuring the relative *repugnance* of other kinds of labor. For example, in the Western American States it is found that the most appropriate kind of labor to be assumed as a standard with which to compare all other kinds of labor is corn-raising. It is also found, upon extensive investigation, that the average product of that kind of labor, in that region, is *twenty pounds of corn to the hour*. If, then, blacksmithing is reckoned as one half harder work than corn-raising, it will be rated (by the blacksmith himself) at *thirty pounds of corn to the hour*. If shoemaking be reckoned as one quarter less onerous than corn-raising, it will be rated at *fifteen pounds of corn to the hour*. In this manner the idea of corn-raising is used to measure the relative repugnance of all kinds of labor.

66. II.—*That, in making the comparison, each individual must make his or her own estimate of the repugnance to him or her of the particular labor which he or she performs.* This condition must be secured, both for the reasons already stated, and because another equally important principle in the true science of society is the Sovereignty of the Individual. The Individual must be kept absolutely above all institutions. He must be left free even to abandon the principles whenever he chooses. The only constraint must be in the attractive nature and results of true principles.

67. III.—*That there should be a sufficient motive in the results or consequences of compliance with these principles to insure an honest exercise of the judgment, and an honest expression of the real feeling of each in making his estimate of the relative repugnance of his labor.* The existence of such a motive can only be shown by a view of the general results of this entire system of principles upon the condition of society, and upon the particular interests of the individual. These results must be gathered from a thorough study of the whole subject, in order to establish this point conclusively to the philosophic mind. The force of a public sentiment rectified by the knowledge of true principles will not be lost sight of by such a mind. (229.) The particular remedial results of deviations from the principle of Equity upon the interests of the individual will be specifically pointed out in the subsequent pages. (72-76.)

68. If an exchange could be always made and completed on the spot, each party giving and receiving an equivalent,—that is, an amount of labor, or a product of labor, which had in it an amount of repugnance or cost just equal to that in the labor or product for which it was given or received,—the whole problem of exchanges would be solved by the simple method just stated. There would in that case be no necessity for a circulating medium, or for any thing to perform the part which is performed by money in our existing commerce. But such is not the case. Articles are not always at hand which have in them the same amount of cost; in-

deed, it is the rare exception that exact equivalents can be made upon the spot in commodities which are mutually wanted. Besides, it may frequently happen that I want something from you, either labor or the products of labor, when you, at the time, want nothing of me. In such a case the exchange is only partially completed on the spot, the remaining part *waiting to be completed at some future time*, by the performance of an equivalent amount of labor, or the delivery of products or commodities having in them an equivalent amount of labor.

69. In such a case as that just stated, it is proper that the party who does not make his part of the exchange on the spot should give an *evidence of his obligation to do so at some future time*, whenever called upon,—and this is the origin of what is called the Labor Note, which is the form assumed by “Equitable Money,” the fourth among the elements of the solution of the Problem of Society. The party who remains indebted to the other gives his own note, *provided the other consents to receive it*, for an equivalent amount of his own labor, or else of the standard commodity,—say so many pounds of corn, specifying in the note the kind of labor, and the alternative. As it may happen that the party receiving the Labor Note may not require the labor itself, or that it may be inconvenient for the party promising to perform it when it is wanted, it is provided that the obligation may be discharged, at the option of the party giving the note, in the standard commodity instead. On the other hand, although the party receiving the note may not want the labor himself, yet some person with whom he deals may want it, and hence he can pass the note to a third party who is willing to receive it for an equivalent amount of labor, or products, received from him. In this manner the Labor Note begins to circulate from one to another, and the aggregate of Labor Notes in circulation in a neighborhood constitutes the neighborhood circulating medium, dispensing, so far as this Equitable Commerce extends, with money altogether, or, rather, introducing a *new species of paper-money, based solely upon individual responsibility*.

70. The use of the Labor Note is not, as has been already observed, strictly a *principle of Equity*, and partakes more of the nature of a contrivance than any other feature of the system of Equitable Commerce; but yet it seems to be a necessary instrument to be employed in the practical working of the system. The *Theory of Equity* is complete without it, but the necessity for its use arises from the practical fact that exchanges cannot in every case be completed on the spot. Hence a circulating medium of some sort is indispensable, and in order that the system may remain throughout an equitable one, in practice as well as in theory, the circulating medium must be based on *equivalents of labor or cost between individuals*.

The features of the Labor Note are peculiar, and the points of difference between it and ordinary money are numerous and far more important than at first appears. They are as follows:

71. I.—*Its cheapness and abundance*. As it costs nothing but the paper upon

which it is written, printed, or engraved, and the labor of executing and signing it, it may be said, for practical purposes, to cost nothing. The great fault of our existing currency is its expensiveness and scarcity. It is upon these properties that the whole system of interest or rent on money is founded, a tribute to which the rich as well as the poor have to submit, whenever they want a portion of the circulating medium to use. To show that this is a real and frightful evil in gold and silver currency, and consequently in all money of which gold and silver are the basis, demands a distinct treatise on money. Under the Labor Note system, every man who has in his possession his ability to work, or his character, or in these elements variously combined, the assurance of responsibility or the basis of credit, has always by him as much money as he needs. He has only to take his pen from his pocket and make it at will. There can be no such cases as happen now, of responsible men worth their tens or hundreds of thousands of dollars in property, but absolutely destitute of money, and forced to submit to the shaving process of bankers, brokers, and Jews.

72. II.—*Being based on individual credit, it makes every man his own banker.* This feature of the Labor Note system is substantially contained in the preceding statement, but the more important consequences of this fact remain to be pointed out. Bankers are proverbial for their anxiety to maintain their credit unimpaired and unsuspected. With them distrust is synonymous with the ruin of their business. Under this system every man, woman, boy, and girl, assuming the character of a banker, becomes equally solicitous about the maintenance of his or her credit. Upon the goodness of their reputation for punctuality of redemption depends the fact of their always having change in their pockets. Honesty comes then to a good market, and finds at once a pecuniary reward. If one's credit is suffered to fall into disrepute among his neighbors, he is left positively without money or the means of obtaining it, and reduced to the necessity of making all his exchanges on the spot. He is put pecuniarily into Coventry. Both the superior advantages of possessing credit, and the greater inconvenience of losing it, conspire, therefore, to install the reign of commercial honor and common honesty in the most minute and ordinary transactions of life among the whole people. The moralist who is wise will perceive herein an engine of reform immensely important to subserve his ends. This result is already satisfactorily proven in practice at one point, where this system of exchanges has been introduced, in the fact that every person is anxious to obtain the Labor Notes of others for use and to abstain, so far as he can, from issuing his own; as well as in the general solicitude for the preservation of credit, and the general promptitude in redeeming the notes that are issued. Notwithstanding the fact that, in so small a circle, it is only a part of the pecuniary transactions of the community which can be carried on upon the Cost Principle.—*ordinary money having to be used in all transactions with the world outside, and even within the community, for those things which were purchased outside and which cost money,*—still these results have been strikingly exhibited in practice.

73. III.—*It combines the properties of a circulating medium and a means of credit.* These qualities have been substantially stated above as separate attributes of the Labor Note system; but the advantage of their combination in one and the same instrumentality of Commerce is worthy of a distinct observation. At the end of the third year from the commencement of the settlement above referred to, there were eighteen families having two lots of ground, each with houses—nine brick and nine wooden ones—and gardens of their own, nearly the whole of which capital was created by them during that period. The families, without exception, came there quite destitute of worldly accumulations. Thirty dollars in money was probably the largest sum possessed by any of them. Others landed there with five dollars and ten as the whole of their fortune. They were nearly all families who had been exhausted in means as well as broken down and discouraged in spirit by successive failures of community, or association attempts at reform. The success they have thus achieved, in so short a time, has resulted entirely from their own labor, exchanged so far as requisite and practicable upon the Cost or Equitable Principle, facilitated by the instrumentality of the Labor Note.

74. A family arriving without means at the location of a village operating on the Equitable Principle, if their appearance or known character inspires sufficient confidence in the minds of the previous settlers, can immediately commence operations, not upon charity, but upon their own credit, issuing their Labor Notes—men, women, and youths—*so far as their several kinds of labor are in demand*, procuring thereby the labor of the whole village in all the various trades necessary to construct them an edifice, and supply them with the necessaries of life, *so far as the size of the circle renders it possible to produce them on the spot.* Labor, even prospective labor, thus becomes immediate capital. Interest and profits being discarded, the amount of capital thus existing in labor is greatly augmented. The fact that the labor of the women and children is equally remunerated with that of the men again adds to the amount of combined capital in the family. By the operation of these several causes, a family which has been struggling for years, in the midst of the competition of ordinary Commerce and the oppressions of capital, with no success beyond barely holding on to life, may become in a short time independent and well provided. Such are the legitimate workings of the true system of Commerce, and so far as it has been tested by practical operations the results have entirely corroborated the theory.

75. [The settlers at Trialville, however, would not wish any thing said upon this subject to be construed into any pledge on their part to supply any advantages to individuals coming among them. *There is no community or society there in the corporate sense of the term.* Every Individual judges for himself upon what terms he will treat with others, how far he will receive their Labor Notes, or whether he will receive them at all. Persons going there must make up their own opinion whether there is a sufficient demand for the kinds of labor which they can perform,

whether their own uprightness of character and punctuality in the discharge of obligations are such as to inspire and maintain confidence, and, indeed, upon every point relating to the subject. No guarantees whatever are given, except such as the Individual finds in the principles themselves, while it is left entirely to the decision of the Individual himself, on every occasion, whether even he will act on the principles or not. *There is no compact or constitution,—no laws, by-laws, rules, or regulations of any sort. The Individual is kept above all institutions, out of deference to the principle of Individuality and the Sovereignty of the Individual, which belong just as much to the fundamental basis of true society as the Cost Principle itself.* There must, therefore, be no reliance on express or implied pledges, nor upon any species of coöperation *which is contracted for, and binding by agreement.* Besides, the extent to which the advantages of the Labor Note can be rendered available is limited in the beginning by the smallness of the circle, by the prevalence of pursuits unfavorable to the mutual exchange of labor or products, and by numerous other considerations, all of which must be judged of by the Individual upon his own responsibility, and at his own risk.]

76. When credit is raised upon the issue of Labor Notes, it has the advantage of being based upon that which the party has it in his power to give. He has in his own vaults the means of redemption. If a laboring man promises money, his ability to pay the money depends upon the precarious chance of his finding a demand for his labor. If he gives a Labor Note, which is to be redeemed in labor, he secures the means of paying by the act of entering into the obligation. Even if the payment is demanded in the alternative, and is discharged in the standard commodity itself (corn), or, what is more likely, *in other commodities, measured by corn,* or in the Labor Notes of the others, still all of these are procured by the exchange of his own labor, and it will appear, upon a full exposition of the system, that under the operation of these principles *labor will always be in demand, so that no laborer need ever be out of employment.* (161.) As a result of this fact every man can know positively, beforehand, to precisely what extent he can, with safety, issue his Labor Notes, the contingencies of sickness and death alone excepted. Hence dishonesty finds no subterfuges. In the case of death the heirs possess the property, if there be property, for which the notes were given. To refuse to redeem them is a palpable ascertained fraud, and the same powerful motives which have been shown as operating on the original debtor to insure honesty and punctuality operate also upon them. If they evade the obligation, they, too, are placed in Coventry, and cut off from all the advantages and privileges which such an association affords. The influence thus brought to bear upon them is ten-fold more potent than laws, and the sanctions of laws, in existing society. In the event of sickness, if the invalid has accumulated property, it serves to maintain him, and redeem his outstanding obligations, precisely as now. Such is the main purpose of accumulation. If a person has no property at the time his Labor Notes are

given, then his credit is based solely on his future labor, and the liability to sickness and death enters into the transaction and limits the issue. The risk is incurred by the party who receives them. As the amount of these notes in the hands of any single individual is generally small, the risk is a mere trifle, and has never been found, practically, to be enough to make it worth while to take it into account at all. For the contingency of the loss of property by fire or other accidents, between the time when obligations are incurred and their redemption, as well as at all other times, insurance can be resorted to, as is done in existing society. Thus the Labor Note, while it is a circulating medium, is at the same time the instrument of a system of credit, having all the advantages, with none of the frightful results of insecurity and bankruptcy, which grow out of, or accompany, the credit system actually prevailing in the commercial world.

77. IV.—*The Labor Note represents an ascertained and definite amount of labor or property, which ordinary money does not.* We have examples of this feature of currency in the railroad and opera ticket, and other similar representations of a positive thing. A railroad ticket represents a ride of a definite length today, tomorrow, and next day, but a dollar does not represent any thing definite. It will buy one amount of sugar or flour today, another amount tomorrow, and still a different amount the next day. The importance of this feature of the two different systems is immense. It can, however, only be exhibited in its consequence by an extended treatise on the subject. What is shown in this chapter is a mere glimpse at the system of "Equitable Commerce" in operation. A thousand objections will occur which it is impossible to remove at the time of stating the general outline. It will be perceived by the acute intellect that a principle is here broached which is absolutely revolutionary of all existing commerce. Perhaps a few minds may follow it out at once into its consequences far enough to perceive that it promises the most magnificent results in the equal distribution of wealth proportioned to industry, the abolition of pauperism, general security of condition instead of continual bankruptcy or poverty, universal coöperation, the general prevalence of commercial honor and honesty, and in ten thousand harmonizing and beneficent effects, morally and religiously. The larger class of persons, however, will require that each particular detail shall be traced out and defined, and the mass of mankind will only understand the subject upon the basis of practical illustration. Hence the necessity that the practice go along with the theory, a method which has been generally adopted and pursued, and of the results of which the public will be from time to time sufficiently advised.

It would be inappropriate at this early point, and before a better understanding of the results which flow from the fountain of Equity has been obtained, to trace the operation of the Labor Note more into detail. In a subsequent chapter it will be considered in the light of a universal or world-wide system of currency. (245.)

## CHAPTER III.

## COST, PRICE, LABOR, NATURAL WEALTH.

78. The position was established in the preceding chapter that Equity in any exchange of labor or commodities—the products of labor—consists of the exact equality of burdens assumed by the parties to the transaction. *The amount of burden involved in rendering a given amount of labor, or a given commodity, is technically denominated the “COST” of that labor or commodity, and the labor or commodity which is received in return for that which is rendered is denominated the “PRICE” of it.* Hence, inasmuch as it is simple Equity that these two should be the *equivalents* of each other, or exactly equal in the amount of burden imposed, the scientific formula is that “COST IS THE LIMIT (OR SCIENTIFIC MEASURE) OF PRICE.”

79. *Cost* is, then, the amount of repugnance overcome. Hence, according to this principle, the equitable price of any labor or commodity is measured by the amount of human repugnance or endurance which it has *cost* to perform the labor or produce the commodity. This, again, is the same thing as *labor for labor, burden for burden, or equality of burdens in exchange.* Hence it implies that there is no other basis of *price*, no other ground for a demand for remuneration costing human endurance, than the fact of human endurance itself.

80. This proposition,—Cost the Limit of Price,—so simple, so seemingly unimportant to the casual reader, and yet so obviously true when properly apprehended, so perfectly consonant with the natural sentiment of right in every mind, will appear by its results as previously stated to be one of the most radical propositions ever made. A rigid adhesion to it in commercial relations will revolutionize nearly every species of transaction among men. It will do so beneficently, however, for all classes, so that no alarm need be felt by any. We shall begin, in this chapter, to trace out some of these results, through the various operations of the principle upon the interests of society, and to contrast them with the effects of those principles which are now efficient in the same sphere.

81. The first grand consequence resulting from the simple principle of Equity—Cost the Limit of Price—is, as already intimated, that *whatever we possess which has cost NO human labor, which has imposed NO BURDEN in its production, which has COST nothing, although it is susceptible of being property, is, nevertheless, not a rightful subject of PRICE.* All property of this kind, whether it is equally open to the enjoyment of all mankind,—the property of the race, like air and water,—or whether it attaches more particularly to some Individual, like genius or skill, is denominated

NATURAL WEALTH. The formula relating to this subject is, then, that NATURAL WEALTH BEARS NO PRICE,—that is, that it cannot, of itself, be made the subject of price upon any equitable grounds whatsoever,—although the resignation of so much of it as is required for one's own convenience may be the basis of price on the ground of a sacrifice endured, as will be explained in speaking of the comprehensiveness of the term Cost. (114.) Every thing valuable which is bestowed by nature without any provision on the part of mankind or the Individual is *Natural Wealth*, such as *fire* and *water*, *light* and *heat*, the *earth*, the *air*, the *principles of science and mechanism*, *personal beauty*, *health*, *natural genius*, *talent*, etc.

82. The principle stated in the preceding Number settles, scientifically and beautifully, the vexed question of the ownership of the soil. *Land*, in its natural state, is *natural wealth*, equally belonging to all the inhabitants of the earth. It stands upon the same footing as the ocean and the atmosphere. But so soon as labor is bestowed upon any portion of it, which adds to it a positive value, the labor so bestowed is the rightful subject of price, to be measured like every other species of labor, by the cost or burden assumed in performing it. Thus the equitable price for lands upon which no labor has been performed is zero; the equitable price for wild lands which have merely been surveyed and bounded is the cost of surveying and bounding them; if they have been cleared and fenced, then the equitable price is the cost of clearing and fencing in addition to that of surveying and bounding; and if, still further, they have been ploughed, cultivated, and improved, then the equitable price is the cost of as much labor as, rightly applied, would take the same lands in the natural state and bring them into the state of improvement in which they are found. The reason of this latter modification is this,—that lands may have been in cultivation for hundreds of years, and labor have been bestowed upon them each year, while the cost of such labor has been annually repaid by the successive crops, except so much of the same as remains on the land in the form of permanent artificial improvement. The cost which has been already repaid ought not to be paid again, while that which remains invested, and is to be repaid out of the future crops, or other use, may be equitably demanded from the purchaser who is to receive such future benefit. If the lands have been so badly cultivated as to have deteriorated instead of improved, it would be equitable that the seller should pay to the purchaser a sum equal to the cost of bringing them up to their natural state. Such cultivation is robbing the land, and incurring a debt to humanity, as if one were to find some means of tainting or exhausting the atmosphere, or fouling a stream from which others must draw their supplies.

83. It is the same with the other natural elements. *Water* as it flows past in the stream is *natural wealth*, and not the subject of price. The man who should seize upon a stream of water and fence it up or turn it aside, for the purpose of levying a tribute upon those who lived below him upon the same stream, in the

form of a price for their necessary supplies, would commit an obvious breach of natural law. But although water, in its natural condition, is not equitably susceptible of price, yet so soon as human labor is bestowed upon it by any person for the benefit of another, a price may be rightfully affixed to the water, to be precisely measured by the cost or burden of the labor so bestowed. Every individual has a right to appropriate so much of the common natural wealth as is requisite to the supply of his wants. So soon as I have dipped up a pitcher full of water from the spring or stream, it is no longer mere natural wealth; it is a product of my labor as well. It is thus my individual property. No one has a right to take it from me without my consent, and in case I do consent, I have an equitable and just right to demand a price equal to the burden I have assumed, which consists of the labor, the risk, or whatever else made it a burden. If I have merely dipped it up, the equitable price is a trifle probably not worth considering; but if I have carried it two miles over a burning plain, it may be considerable; and if I have run the risk of carrying it for the sake of another through the brisk fire from an enemy's battery, the risk will enter equitably into the estimate of the price. (121.) In all these cases it is not really the natural wealth itself, the land or the water, which acquires a price, but the human labor and other elements which are bestowed upon it. *Nothing is properly the rightful subject of price but repugnance overcome.* But as the portions of natural wealth to which human labor has thus been added are the objects which are wanted by the purchaser, and which are delivered to him when the price is paid, it is natural to speak of *them* as bearing the price.

84. It is obvious from this application of the principle of cost, which we have seen is nothing but the scientific measure of equity, that simple equity cuts up by the roots every species of speculation in lands. It will be seen, in the next place, that it cuts up equally another species of speculation, which the world hardly suspects of being, although it is, both in principle and in its oppressive results, equally iniquitous,—that is, *speculation in talent, natural skill, or genius.* The definitions and principles above stated render it obvious that no man has any just or equitable right to charge a price for that which it cost nothing of human labor to create. “Freely ye have received, freely give.”

85. A superior natural tact for the performance of any function or labor renders it easier instead of harder to perform the function or labor. It makes the burden ordinarily lighter instead of heavier, and consequently, upon the Cost Principle, *reduces instead of augmenting the price.* I say, “ordinarily,” because the case may happen of a person having a high degree of natural ability for a particular kind of industry, and having at the same time, from some special cause, an unusual repugnance to its performance, and it must be constantly remembered that it is the degree of personal repugnance overcome which measures the price. As the rule, however, the taste or attraction for a given pursuit accompanies and corresponds to the degree of excellence in it, and in that case the remarkable result above stated flows from the principle.

86. Naturally enough, a conclusion so strikingly dissimilar to all that is now seen in practice or entertained in idea will be received at first blush with some suspicions of its soundness. It will be found, however, upon examination, that the consequences of admitting it are all beneficent and harmonious. They are, in fact, indispensable to the solution of the problem of true social relations.

87. *Talent, natural skill, or genius, distinguished from such ability as is the result of labor or acquisition, is one species of natural wealth.* It is not, like earth, air, and water, equally distributed by nature to all men, and cannot, therefore, be equally enjoyed by all. Those on whom it has been conferred in a high degree have a kind of enjoyment of it in the fact of its possession, which cannot be participated with others. It is the same with health or personal beauty, or a naturally graceful deportment. In this particular way, although it is natural wealth, it is individual wealth also. There are other ways, however, in which it is not individual or exclusive, but in which it may be partaken of by all around, as when we experience the pleasure of looking upon a beautiful countenance or a graceful figure, or when we enjoy the creations of another's genius, or the productions of another's natural endowments. This kind of enjoyment is bestowed by nature gratuitously, and is not confined to the individual who produces it. It is the common patrimony of mankind as much as air, earth, and water.

88. It follows from these considerations that neither the forensic talents bestowed by nature upon a Daniel Webster, nor the musical endowments of a Jenny Lind, nor the natural agility of the mountebank, constitute any legitimate or equitable basis of price, for the simple reason that they have cost their possessors nothing, and it has already been settled that *cost* is the only legitimate ground of price.

89. Observe, in the first place, that I do not say that the labor which it may require on their part to *exercise* these natural talents is not a legitimate basis of price. On the contrary, I affirm that it is so, and that such labor is the *only* basis of price in the performance, and hence that the price of the performance is equitably limited by the precise amount of the labor in it, estimated according to its repugnance to the individual, relatively to other kinds of labor, — *not augmented one iota on account of the extraordinary natural abilities which the performance demands.* There is *in that element* no labor, no repugnance overcome, no *cost*, and consequently no basis of price.

90. Observe, in the next place, that labor expended prior to the performance, in *cultivating* the natural talent and fitting it for the performance, is an element of cost, a due proportion of which may be equitably charged upon each specific exhibition of the talent. This point will be more fully considered presently in treating of the constituents of *cost*. (121.)

91. It will be objected that under this system talent and skill receive no protection. Talent and skill are intellectual strength, and it is not strength but

weakness which demands protection. Talent and skill now enable their possessors to subject the world as effectually, through its industrial relations, as prowess and physical manhood formerly enabled *their* possessors to do so upon the battle-fields of past history. The dominion of physical conquest is now partially becoming extinct. We are in the midst of the reign of intellectual superiority, which is far more subtle and intricate in the modes of its tyrannical action. The discovery of the true laws of social order will not be, therefore, the discovery of increased facilities for talent or intellectual power to exert itself for its own immediate and selfish aggrandizement, but the precise contrary.

92. At the same time talent and skill will always command, like physical manhood, a certain degree of homage, and secure, indirectly, more refined and yet more substantial rewards than direct appropriation would confer. In discussing the subject of price we are by no means discussing all the possible effects of performance, but only that one which forms the basis of a demand for a direct equivalent or compensation.

93. *Price is that which a party may properly demand AS HIS RIGHT, in consideration of services rendered.* It relates, therefore, to *exact justice* between the parties, and justice has in it no touch of mercy, or gratitude, or benevolence,—no tribute of admiration, no homage. It does not *exclude* the exercise of those sentiments after its own demands are satisfied, but, *for itself*, it knows nothing of that sort. Justice demands Equity, exact Equivalents, Burden for Burden; and will be satisfied with nothing else. To understand the appropriate sphere of these various affections we must *individualize* their functions. It is essential not only to the security of rights, but equally in order that benevolence or homage be *felt* and *accepted* as such, that the limits of each should be exactly defined. The rendition of justice is the basis, or platform, or prior condition, upon which benevolence must rest. The slave feels little or no gratitude toward his master for any act of kindness which the master may do, because he is conscious that the master is living in an unjust relation toward him, and that he *owes* him as matter of justice more than he grants as an indulgence. This apparent destitution of the sentiment of gratitude reacts upon the master, and he despises and depreciates the moral constitution of the slave. The fault is in the absence of the prior condition of *Justice*, which alone authorizes benevolence, which then inspires gratitude, and all conspire to institute and maintain friendly and harmonious relations. A charity bestowed while justice is withheld is always an insult.

94. Again, according to a law of the human mind, injustice persisted in begets aversion or hatred on the part of the perpetrator as well, toward the object of it. But justice cannot be rendered while one is ignorant of what justice is; and since no one who does not know that Cost is the Limit of Price knows what the limits of justice are, it follows that every one has been living in relations of injustice toward all around him. A partial consciousness of this truth tends still farther to

inspire ill-will on the part of the governors toward the governed, of the employers toward the employed, and of masters toward slaves. Hence, it will be perceived that a denial of justice operates through two channels to prevent the natural flow of benevolence, by hindering its bestowment, at the same time that it enfeebles or destroys the appreciation of it by the recipient.

95. Still again, from ignorance of the landmarks of justice or Equity, acts are continually done under the supposition that justice demands them, and with no sentiment of benevolence, which should fall within the province of benevolence, while the same ignorance on the other hand hinders their acknowledgment as benevolent acts, and prevents, consequently, the appropriate sentiment of gratitude or reciprocal benevolence, which should be the result.

96. The magnificent testimonial bestowed by the English people upon Rowland Hill for his conception of the idea of cheap postage and his exertions in behalf of the reform had in it nothing discordant with true principles, because it was bestowed as a gratuitous homage and accepted as such. Whenever all obstructions to the natural exuberance of benevolence toward those who confer benefits upon us are removed by the establishment of equitable relations, such voluntary tributes repeated on all hands will furnish a richer inheritance for genius than the beggarly and precarious subsistence which now enures from pensions and patent-laws. The testimonial to Rowland Hill was not the *price* of his services, any more than a bridal present is the *price* of affection. Had he opened an account of debtor and creditor with the nation, and charged them a hundred thousand pounds as the price of his services, gratitude would have been extinguished by the preposterous pretension, and benevolence have been converted into aversion and disgust. The people, ignorant of the law of equivalents as a *principle*, would have felt it as an *instinct*, and have been repelled unwittingly by the breach of it. To make the higher class of services a matter of price at all somewhat depreciates their estimate. The artist and the inventor is apt to feel something akin to degradation, when forced to prefer a pecuniary demand in return for the fruits of his genius. Every genuine artist has an instinct for being an amateur performer solely. There is an intimation in this fact that in the true social order the rewards of genius will either cease to be pecuniary altogether, or, if not, that they will be wholly abandoned to the voluntary *largesse* of mankind. (174.)

97. The Cost Principle deals wholly with price,—that is, with that to which *the party rendering the service should limit his demand, if fixed by himself*, not to what it is proper, or becoming, or natural that others should bestow as a gratuity, which latter is a matter *solely for their consideration*. This last is *not his affair*.

98. It is in this rigid sense that it is affirmed that Jenny Lind has no equitable right to charge more for an hour expended in singing than any other person should receive for an hour of labor equally repugnant, and which has involved equal contingencies of prior labor and the like. Even that price is then divisible among all

who hear her. The refining results of this operation of the principle in diffusing the benefits of superior endowments in every sphere among the whole people will be traced out into infinite ramifications by the reader for himself.

99. The objection that men of genius, inventors, and those who exercise callings which are purely attractive, are not provided by this principle with the means of obtaining a livelihood will be answered under another head. (174.)

100. There is another subtle and plausible objection which may be urged to this position, in relation to natural genius, talent, or skill, and which demands no little rigor of attention to detect its fallacy. It may be said that *Nature* deals with man liberally, in proportion to his endowments; that is, that she crowns with greater exuberance of results the exertions of the strong man and the wise man than she does those of the weak and the simple-minded, and hence that there can be no essential injustice in doing precisely what *Nature* herself does,—that is, in maintaining so much inequality as results from giving to each an equivalent *in the products* of others to the *products* of his own powers. If, on the contrary, a man who can produce more largely and better, from superior ability, exchanges with one who produces less abundant and inferior commodities, *solely according to the intrinsic hardship or cost of the labor to each*,—no reference whatever being had to the *amount or quality of the products*,—it is clear that the man of the highest capacity loses the advantage in the transaction which *Nature* has conferred upon him, and which seems, therefore, to be justified by the ordinances of *Nature*. It is clear that, if he gets in the exchange only so much of the products of the other as *would have been the result of his own superior ability applied in that direction*, he only gets what *Nature* would have given him if he had dealt *directly with her*. Why, then, is it not right that he should have as much advantage in the bargain as he has in the direct production?

101. The objection is here strongly put in order that it may be completely disposed of. It is answered as follows:

It is the destiny of man to rise into higher relations than those which he holds with *Nature*. When man deals with *Nature*, he is dealing with an abject servant or slave. There is no *equality* nor *reciprocity* between the parties. Man is a Sovereign and *Nature* his minister. He extorts from her rightfully whatever she can be made to yield. The legitimate business of man is the conquest and subjugation of *Nature*, and the law of superior force is the legitimate law of conquest and subjugation. But so soon as man comes into relations with his fellow-man the disproportion ceases. He is then dealing with his peers. The legitimate object of the intercourse is no longer the same. It is not now conquest and subjugation, but equipoise and the freedom of all. A higher relationship intervenes, and the balance of concurrent Sovereignties can only be established and maintained by acknowledging the law of that relationship. For the strong man, physically or intellectually, to avail himself, to his private advantage, of his superior strength,

as the method of his intercourse with his fellow-men, is finally to accumulate all power in the hands of the few, and in the mean time to inaugurate the reign of discord, collision, and war.

102. This subtle but most important distinction is already practically acknowledged in a large circle of human affairs. The world is already sufficiently progressed, in civilized countries at least, to act upon this distinction between inanimate nature and rational beings, so far as relates to the immediate exertion of physical strength,—the simple force of bone and muscle directly applied. The strong man is not now justified by the common sense of right in seizing and appropriating the wealth of the weak simply because he can, while at the same time, when dealing with Nature, he is never reproved for compelling her to the utmost of his power over her. *Right* is distinguished from *might* with reference to men,—a distinction which, as respects Nature, does not exist.

103. As relates to intellectual superiority, the same distinction is likewise already acknowledged to an indefinite and fluctuating extent. The sharper is restrained from availing himself of his quickness of wit by the intervention of stringent laws and exemplary penalties. Upon what principle is that? It is the admission that man *ought not*,—that it is unjust or inequitable that man *should* use his superior mental endowments to his own private advantage, in dealing with *men*, while no such restriction lies upon him when dealing with *Nature*. He is bound to deal with *them*, contrary to the fact, precisely *as if* they had the same amount of strength and mental power as he has himself, or, rather, as if it were not a question of strength but of right; in the same manner as, according to the canons of international law, the large and powerful State recognizes the equal sovereignty of the smallest independent community. The law of intercourse between Individual Sovereigns is the same as between the concrete Sovereignities of existing States. To commit a breach of this higher law of Sovereign peerage is to secure to the stronger party an immediate and apparent advantage, to the destruction of the less obvious but more substantial benefits resulting to both from the existence of a true social equilibrium. Such is the policy of the brigand and the pirate, who pounce upon their booty for the supply of their immediate wants,—because they can,—regardless of the fact that their practices will prove the disruption of society and end in the destruction of the very commerce upon which they prey.

104. In the intellectual sphere, the admission of this higher law has hitherto been made only up to an unascertained line. Superior talent or skill, naturally bestowed, have always been, and are still, practically recognized as giving superior right, except in the few extreme cases in which the enormity of the principle is too obvious to be overlooked, and in which the exercise of that superiority is defined by Fraud, Gambling, Swindling, or some other of the euphonious epithets by which society stigmatizes, in its ultimates, a rule of conduct which, in its more general

and pervading applications, it sanctions and approves. Whenever the perception of this true law shall have been thoroughly awakened; when the public mind shall be wholly penetrated by the conviction that the employment of either physical or intellectual power, had by natural endowment, in any transaction between *men*, in such a manner as to gain an immediate and selfish advantage to the stronger party, is of the essential nature of fraud, swindling, and robbery,—society will rise to a new plane, and will then find a development as superior to our present civilization as that is to the savage state,—a development in which those who surrender *most* will as truly find *their* highest emolument as those who surrender *least*. Thus true science conducts us back, in some sense, to the sublime precept of religion: “He that would be greatest among you let him serve.”

105. So far, then, as the individual consumes directly products of his own labor, he enjoys the immediate advantage of his own talent or skill, as the strong man enjoys his strength or the beautiful woman her beauty. But the moment he proposes to exchange his labor with other human beings, it is the harmonic law that he shall renounce that advantage entirely, recognizing the full equality of the inferior party. To claim it is to introduce an element into the social relations as disturbing in its nature as it would be if the handsome woman were to claim of right superior rank by virtue of her beauty, or the strong man impunity from the law by virtue of his strength.

106. It is characteristic of the most progressed or humanized society that the strong recognizes the equality of the weak. Hence the constant advancement of woman in the relative scale of position,—the sinking of physical superiority before intellectual, and finally of intellectual before the spiritual, affectionate, and æsthetic. That sublime characteristic of the highest type of humanity is wholly wanting in the demand of the superior worker that the inferior shall make up the difference in excess of labor. It is preëminently exhibited, on the contrary, and the highest attainment of civilization achieved, when the basis of the exchange is shifted from the equality of products to the equality of burdens. The strong says to the weak, labor is painful and imposes a burden. It is not just between beings who hold human relations that you, who are weak, shall be required to endure a greater burden than I, who am strong. Hence we will exchange labor for labor, not according to its fruitfulness, but according to the repugnance which has to be overcome.

107. Take an illustration as between nations. A small but industrious and civilized people inhabit a country lying between the dominions of a powerful empire on one side, and hordes of treacherous savages on the other, who threaten to invade and lay waste the country. The feeble nation applies to the powerful one to extend a degree of protection over them by establishing forts upon the frontier and adding the weight of their influence in overawing the savage tribes. Assume that the cost of the aid thus rendered is equal to one million of dollars per annum,

and that by estimate it saves the whole property of the weaker nation from destruction, the income upon which amounts to a hundred million of dollars. What tribute in the nature of payment shall the weaker nation render to the stronger? According to one rule, it will be an amount equal to the expenditure by the stronger. According to the other, it will be an amount equal to the benefit incurred,—namely, a yearly tribute equal to the whole products of the land. Is it not clear which is the humanitarian, courteous, or civilized basis of the transaction and which the barbarous one? According to the latter, the choice of the people whose safety is endangered lies between two sets of savages, each of whom will rob them equally of all they possess. Is it not clear, then, that the humanitarian basis of remuneration is not measured by the extent of the benefit conferred,—*the Value*,—but by the extent of the burden assumed,—*the Cost*. And is it not clear, again, in the case supposed, if the strong nation were still more powerful, so that the use of its name merely were a terror to its savage neighbors, and would suffice, with less extensive fortifications, as a mere demonstration of the *animus* to resist, or with no fortifications at all, to restrain them, that the *cost* of the defence would be decreased by such superiority of strength and weight of name, and that consequently the *price* of it *should be diminished* likewise, instead of being *augmented* thereby.

Carry out the analogy of this illustration to the case of the way in which natural talent and skill are made the basis of price in private transactions, and it will be perceived that the principle now acted on is the *barbarous* principle,—the principle of conquest and rapine,—the principle of an equality of *benefits* demanded between parties, one of whom is capable of conferring great benefits at slight cost, and the other only capable of conferring small ones at an equal or greater amount of cost,—a principle destructive of equality, equipoise, and harmony, and under the operation of which the weaker are inevitably crushed and devoured by the stronger, to the utter annihilation of all hope of realizing the higher and more beautiful phases of possible human society.

108. To illustrate still further. When a robust and hearty youth rises and stands, yielding his seat to a woman, an old man, or an invalid, he does so because, in consequence of his strength, it *costs* him less to stand,—it is *less repugnant* for him to do so than for the other. The *superior power* reduces the *cost*, and all refined and well-developed manhood admires the vindication of the principle involved, even while not understanding it as such. In this transaction there is no price demanded, but, if there were, it is obvious that the price to the robust man for yielding his advantage should be less than to the feeble, while upon the *value* principle it would be more. In this species of intercourse we already, then, draw the line between cultivated and advanced humanity, and barbarous or boorish humanity, precisely where these two principles diverge. With a more complete efflorescence of Humanitary Ethics, true principle will supersede the false through-

out the whole range of personal transactions. The adoption of the *Cost Principle* in commerce will not only insure the equitable distribution of wealth, and disperse the manifold evils which grow out of the pervading injustice of the existing system, but it will do more,—it will crown the common honors of life with a halo of mutual urbanity, and render the daily interchange of labor and of ordinary commodities a perpetual sacrament of fraternal affection.

109. It results, then, that the natural and necessary effect of the *Cost Principle* is to limit the relative power and advantage of the intellectually strong over the intellectually weak in the same manner as Law, Morality, Religion, Machinery, and the other appliances of civilization have already, in civilized countries, partially limited the power and neutralized the advantage of the physically strong over the physically weak, and to complete, even in the physical sphere, what Law, Morality, Religion, Machinery, and the other appliances of civilization have hitherto failed to accomplish, for the want of the more definite science of the subject.

110. But, in order to the general adoption of this regulating principle, is not the consent of the strong man indispensable as well as that of the weak? By what means shall he be persuaded to make the sacrifice of his superior advantage? Is not the appeal solely to his benevolence, and has not past experience demonstrated that all such appeals are nearly powerless against the controlling current of personal interests?

111. Certainly the concurrence of both the powerful and the feeble is alike requisite to the complete and general adoption of the *Cost Principle*, but that cannot be said to be necessary to commence its application. It has already been stated that the *Cost Principle* affords the means to the laboring classes, who are kept now in comparative weakness and ignorance, of stepping out from under the oppressions of capital and leaving it with no foundation on which to rest in its usurped superiority over labor. Hence the weak are enabled by it to cope with the strong, while the strong themselves will not long resist the innovation, for the reason that their own positive strength is also increased by the same means. It is only their relative superiority which is reduced by it. In other words, all classes will have their condition positively improved, the rich only a little less than the poor, so that the frightful inequalities of the present system will be obliterated and extinguished. An analogue of this effect is found in the material sphere, in the invention of gunpowder and firearms, for example. A pistol puts a small man and a large man upon the same footing of strength, or perhaps rather reverses it a little, as the large man presents a broader surface to the deadly aim. Still either party is a more powerful man with than without it. It serves to establish a balance of power, while at the same time it augments the power of both. It is the same with larger arms and larger bodies of men. Hence the pistol, the blunderbuss, and the carronade have been among the greatest civilizers of mankind. It is the same, again, with laws and the civil state which have been instituted to equalize

the diversities of strength among men by substituting arbitrary rules for physical force. Like firearms and gunpowder, they are a barbarous remedy for a more barbarous evil, and will give place, in turn, with the progress of man, to the government of mere principles, accepted into and proving operative upon the individual mind.

112. In this manner the Cost Principle has in it the means of first compelling and then reconciling to its adoption those to whom the possession of superior intellectual powers or cunning, with the accumulations of capital, give now the ascendancy. This, however, only so far as such compulsion shall prove necessary. It is a grand mistake to assume, as the inclusive rule, that those who have the best end of the bargain in our present iniquitous social relations are averse to a reorganization upon the basis of justice. The ignorant and selfish among them are so, but it is *among* this superior class that the best and most devoted friends of the rights of man are likely to be found. The progress of the race has always been offered by leaders from among the Patricians. It is among those who gain the advantage, and are thrown to the surface and exposed to the blessed air and light of Heaven by the fluctuations of the turbulent ocean of human affairs, that the greatest development occurs; and along with development comes the sentiment of humanity and human brotherhood. The masses of men have seldom been indebted solely to themselves for what they have at any time gained. The most unbounded benevolence is often coupled with the possession of great wealth. But how often has the sentiment been repelled and made to recoil upon itself with disappointment and disgust at the results of its own efforts to benefit mankind! How often has the harsh lesson been taught to the rich and the good that the sentiment is powerless without the science, — that Love, without its complement in Wisdom, is blind and destructive of its own ends!

113. Hence, whenever a true science of society shall have been demonstrably discovered, when the means of permanent benefit to the race shall be unquestionably at hand, benevolent capitalists will assuredly be found in the first ranks of those who will concur to realize the higher results of human society, to which such knowledge is competent to conduct. The advanced and highly developed among men are always ready to sacrifice their relative superiority for the greater good of all, for no other reason than simply because they *are* men. Hence, again, although the Cost Principle is fully adequate to enable the poor, feeble, and oppressed classes to emancipate themselves from the oppressions of capital, it will, in practice, be put to no such strain. The future will show that the rich and poor will freely cooperate with hearty sincerity in the work of social regeneration, upon scientific and truly constructive principles.

114. It is proper at this point to show more explicitly the extension and comprehensiveness of the term *Cost*. It has been spoken of in the preceding pages chiefly as human repugnance overcome in the performance of labor. It is more

accurate to define it, however, simply as *human repugnance overcome* in any transaction. It has both an active or positive, and a passive or negative, aspect, to which last a slight reference has already been had. (81.) The repugnance overcome in the actual performance of labor is the active phase of the subject, but there is also repugnance overcome in the mere sacrifice or surrender of any thing which we possess, and which we require at the time for our own convenience or happiness. This last is the passive aspect of *Cost*. Thus, for example, if I paint pictures or manufacture watches for sale, the cost, and consequently the price at which I must sell them, to deal upon the equitable principle, is the amount of labor contained in them; but, if I have in my possession—not as an article of merchandise, but for my own pleasure and convenience—a watch or a favorite painting,—say, for example, it is a present from a friend, for which reason I attach to it a particular value,—and you, taking a fancy to it, wish to induce me to part with it, then the legitimate measure of price is the amount of sacrifice which it is to me,—in other words, the degree of repugnance which I feel to surrendering it, how much soever that may exceed the positive Cost of the article, and whatever relation it may hold to its positive Value.

115. It is the same, as already observed, even with reference to *natural wealth*, in which there is no positive Cost, and so of everything which we require, in kind, for our own use. (81.) Thus, for example, although land in its wild state is not rightfully the subject of price, and although, when simply enclosed, its positive Cost is the labor of enclosing it, yet, if I have selected a pleasant situation for my own habitation and culture, and am induced to part with it for the accommodation of another, the price in that case is legitimately augmented by whatever amount of repugnance I may feel to making the surrender.

116. The exact thinker will readily perceive the distinction between objects of all sorts which are required for personal convenience at the time, and surplus property or capital not needed for present use, or needed only as the means of procuring other conveniences by means of exchange,—between things properly in commerce, and things taken out of commerce by special appropriation. In the latter case the labor contained in or bestowed upon the property is the whole of its equitable price. In the former it is augmented by the amount of sacrifice experienced in parting with it, occasioned by the present need.

117. In the case of passive or negative Cost,—the mere repugnance to the surrender of what is at the time serving a personal purpose,—none but the party making the surrender can know the real extent of the sacrifice, or can judge with accuracy of the equity of the price charged. Hence, with reference to things not properly in commerce, a common average of estimate cannot be attained as in the ordinary case of exchanges. (195.) But even here the operation of the principle is quite distinct from that of value as the limit of price. The party making the surrender will satisfy his own conscience by estimating the degree of sacrifice to

him, and not as under the value standard by estimating the degree of the want of the other party. In other words, whenever he has arrived at a price which he would prefer to take rather than not sell, he is restrained from going farther, without inquiring whether he has reached the highest point to which the purchaser would go. This distinction between the active Cost of the labor of production and the passive Cost of surrender is important in various ways, and especially, as we shall see, in settling the question of interest or rent on capital. (226.)

118. As it is the positive Cost of the labor of production, alone, which relates to things properly in commerce, it is that which is usually meant by Cost, unless the repugnance of surrender is especially mentioned in addition.

119. There is still another observation in relation to the comprehensiveness of the term Cost. Although it refers back, in its rigid technical sense, to the original labor of production, measured by its repugnance, and fixes the price in labor, still it holds good as the equitable measure of price with reference to all articles purchased with money, under the present system, and not traced back to their component, labor. Thus an article purchased for a given price in money, and sold again for the same amount of money, plus the labor of the transaction, is sold for Cost. *The Cost Principle is, therefore, merely the entire abandonment of profit making, whether it relates to labor production or dealings in money.* The method of keeping a shop and selling goods upon the Cost Principle, during the transition period,—that is, while the community is too small to supply all its own wants,—is to charge for each article its original money Cost with all the money charges and contingencies, *in money*, and the labor of buying, handling, and selling, *in labor*, the time occupied in the transaction being measured by the clock, and charged according to the estimated repugnance of that kind of labor. A yard of cloth is, therefore, so many cents in money and so many minutes in labor. The particulars of the management of such stores, and the immense power which they exert over the commercial habits of large districts of country within their influence, will be shown in Mr. Warren's work on Practical Details.

120. The comprehensiveness of the term *Labor* needs also to be defined. By Labor is meant, in the first place, not merely manual, but intellectual and oral labor as well,—whatever is done or performed by the hand, head, or tongue, and which involves repugnance or painfulness overcome,—the measure of price being based upon the well-known principle that man naturally seeks the agreeable and shuns that which is disagreeable or painful.

121. In the second place, the Labor by which price is measured is not always merely the particular performance done at the time. Whatever has required an especial skill obtained by previous labor, unproductive at the time, has its price augmented by its own due proportion of such loss, from previous necessary unproductive labor. For example, the surgeon may equitably charge for each surgical operation not only the time occupied in it, measured by its repugnance, but an aii-

quot portion of the time *necessarily* expended in acquiring the knowledge to enable him to do it in a skilful manner, according to the repugnance to him of that preliminary labor. So of every other necessary contingency,—*all necessary contingencies, such as prior preparatory labor, risk incurred, etc., entering into and constituting a portion of Cost.*

122. It results from what has been said that the basis of vendible property is human labor, and that the measure of such property is the amount of labor which there is, so to speak, laid up in the article owned. The article is the product of labor, and is therefore the representative of labor. Price is that which is given either for labor directly, or for property, which is the product of labor,—that is, for labor indirectly, and it should therefore be a precise equivalent for that labor. The only proper ground of difference, then, between the price of a side-saddle and the price of a house is the difference in the amount of human labor which has been bestowed upon the one and upon the other. It follows, again, that the mode of arriving at the legitimate price of any article whatever is to reduce it first to labor. For example: if we take a house to pieces, we trace it back to trees growing in the woods, to clay, and sand, and lime, and iron, etc., lying in the earth. All that makes it a house, and entitles it to a price, as property, is the human labor that there is in it. That house over the way is, then, so many hours of labor at brick-making, so many hours of carpenter's work, so many of lime-burning, so many of iron-work, nail-cutting, so many at glass-blowing, so many at hauling, so many at planning, draughting, etc., etc., etc. The whole house is nothing but human labor dried, preserved, laid away. Each of these hours of labor in different occupations may have a different degree of repugnance, so that to estimate the gross amount of labor in the house it is necessary to bring them all to a common denomination. This is done by reducing them to the standard degree of repugnance in the standard labor,—corn-raising,—which is then expressed in the standard product of that kind of labor,—namely, so many pounds of corn. Hence the price of a house, or of any other object, is said to be so many *pounds*, or so many *hours*, meaning so many pounds of corn, or so many hours of labor at corn-raising, in the same manner as we now say so many dollars and cents. By this means all price is constantly referred to labor, and rendered definite, instead of being referred to a standard which is itself continually expanding and contracting by all the contingencies of speculation or trade. (77.)

123. The first point is to obtain a standard for a single locality, after which it is quite easy to adjust the standard of other localities to it. Agricultural labor is first selected, because it is the great staple branch of human industry. The most staple article of agricultural product is then taken, which for this country, and especially for the great valley of the Mississippi, is Indian corn. In another country it may be wheat or something else, although Indian corn, wherever it is produced, will be found to have more of the appropriate qualities for a standard than any

other article whatsoever, being more invariable in quality, more uniform in the amount produced by the same amount of labor in a given locality, and more uniform in the extent of the demand than any other article. At a given locality, or, as I have stated, at a great variety of localities in the Western States, the standard product of Indian corn is twenty pounds to the hour's labor,—the measurement by pounds being also more inflexible or less variant than that by bulk. If, then, in some other locality,—as, for example, New England,—the product of an hour's labor devoted to raising corn is only ten-pounds of corn, the equivalent of the standard hour's labor *there* will be ten pounds of corn, while in the West it will be twenty pounds. It is the hour's labor in that species of agriculture which is therefore the actual unit of comparison, of which the product, whatever it may be, is the local representative. And in the same manner, in another country wheat may be the standard,—as, for example, in England,—and may be reckoned at ten pounds to the hour, or whatever is found by trial to be the fact. The reduction of the standard of one locality to that of another will then be no more difficult than the reduction of different currencies to one value, as now practised.

124. There is an absolute necessity for some standard of *cost*, and it is not a question of principle, but of expediency, what article is adopted. It is the same necessity which is recognized at present for a standard of *value*, which is sought for, and by some persons erroneously supposed to be found, in money. The question may still be asked: Why not employ money as the standard with which to compare other things, and as a circulating medium, as is done now? The answer is found in the uncertain and fluctuating nature of money,—in the fact that it represents nothing definite.

125. Money has professedly two uses: (1) as a standard of value, and (2) as a circulating medium.

First, then, as a standard of value, or a measure with which to compare other values. It does not even profess to be a standard of *cost*. It has no relation whatever to the cost, or, in other words, to the labor which there is in the different commodities for which it is given as price, because there is no question about *cost* in existing commerce, the *value* alone being taken into account. But value is incapable of a scientific estimate, as will be more specifically shown in the next chapter. (134.) Hence it is fluctuating because it relates to nothing definite. But what are the capacities of the yard-stick itself? Is it fixed or elastic? The theory is that gold and silver are selected as standards of value because the quantity of those commodities in the world is more uniform than that of most other articles. If the fact be granted, then gold and silver have one of the fitting properties of a standard. But gold and silver are not convenient as a circulating medium. Hence paper money is assumed as a representative of specie. So far very well again. There was a time when bank-paper was an exact representation of specie, if it represented nothing else. The old bank of Amsterdam, the mother of the banking

system, issued only dollar for dollar. Her bills were merely certificates of deposit for so much specie. So far, then, the yard-stick did not stretch nor contract, while the paper money was more convenient as a medium of circulation than the specie. But with the development of the banking system two, three, five, or more dollars of paper money are issued for one dollar of specie on deposit. The amount is then expanded and contracted, according to the fluctuations of trade and the judgments or speculating interests of perhaps five hundred different boards of bank directors. How is it, then, with the inflexibility of your standard? Your yard-stick is one year one foot long and the next year five feet long. The problem of existing finance, then, is to measure values which are in their nature positively incapable of measurement, by money, which is in its nature positively incapable of measuring any thing. It is therefore *uncertainty*  $\times$  *fluctuation* = *price*.

126. There is no such thing, therefore, in money as a standard of value. As a circulating medium merely, considering no other properties, nor the reasons why we should have a circulating medium at all, nothing better can be devised than paper money. It is thin, light, pliant, and convenient in all respects.

127. To make gold the standard of *cost*, instead of value, would be to take as much gold as is ordinarily dug in an hour in those countries where it is procured—say California—as the price of an hour's labor in other branches of industry equally troublesome and repugnant. This may perhaps be one dollar, which would make the price of labor a dollar an hour, and the difference between that price in this article and the usual price of labor in the same article—which is rendered necessary now, as the means of acquiring all other commodities—is some indication of the degree to which labor is robbed by adopting the value standard instead of the cost standard of price. But the fact is that no average of the product of gold-digging can be made. It is proverbially uncertain. The product of gold, therefore, regarded as a standard of any thing, is as nearly worthless as the product of any article can be. The demand for it in the arts is also exceptional and uncertain. Apart from the factitious demand resulting from the fact that it is made a nominal standard and a medium, it is not in any sense a staple article. It would be just as philosophical to measure all other industry by the product of the mackerel fishery, or the manufacture of rock candy or castor oil, as it would be to measure it by gold. The result of all this investigation is therefore this: that the product of gold, and, for the same reason, that of silver, is quite unfit for the first purpose we have in view, which is to select a staple species of labor with which to compare other labor, while corn or wheat does fulfill those conditions; and (2) that paper is just what is wanted as a circulating medium, provided it can be made to rest upon a proper basis, and represent what *ought* to be represented by a circulating medium.

128. Now, what is it which ought to be represented by a circulating medium? Clearly it is *price*,—the price of commodities. The pledge or promise should be

exactly equivalent to, as it stands in the place of, the commodity or commodities to be given hereafter. These commodities, which the paper stands in the place of, are the *price* of what was received. The equitable limit of price is, we have seen, the *cost* of the articles received. The promise is therefore rightly the equivalent of, or goes to the extent of, the *cost* of the articles received. But the *cost* of an article is, we have seen, the *labor* there is in it, *rightly measured*. Every issue of the circulating medium should therefore be a representative of, or pledge for, a certain amount of human labor, or for some commodity which has in it an equal amount of human labor; and, to avoid all question about what commodity shall be substituted, it is proper that a staple or standard article, the cost of which all agree upon, should be selected.

We return, then, to the Labor Note as the legitimate germ of a circulating medium.

CHAPTER IV.

VALUE DISTINGUISHED FROM COST.

129. The second grand result from the principle of Equity—Cost the Limit of Price—is that *the value of labor or of a commodity has nothing whatever to do legitimately with fixing the PRICE of the labor or commodity.* This proposition would be deduced partially from what has been already shown; it requires, however, to be more explicitly stated and more conclusively demonstrated. It is, as well as the result, considered in the last chapter in relation to natural skill or talent, quite new, and therefore surprising.

130. There is certainly nothing more reasonable, according to existing ideas, than that "*a thing ought to bring what it is worth.*" No proposition could be more seemingly innocent upon the face of it than that. (19.) There is no statement upon any subject upon which mankind would more generally concur, and yet that statement covers a fallacy which lies at the basis of the prevalent system of *exploitation* or civilized caunibalism. It is precisely at this point that the whole world has committed its most fatal blunder. It will be the purpose of this chapter to expose that error so obviously that it can no longer lurk in obscurity even in the least enlightened mind. To that end I beg the especial attention of the reader to the technical distinction between *Value and Cost*,—a point of great importance to this whole discussion.

131. "What a thing is worth" is another expression for the Value of a commodity or labor. The *Value* of a commodity or labor is *the degree of benefit which it confers upon the person who receives it, or to whose use it is applied.* The *Cost* of it is, on the other hand, as already explained, *the degree of burden which the production of the commodity or the performance of the labor imposed upon the person who produced or performed it.* They are therefore by no means the same. No two things can possibly be more distinct. The burden or cost may be very great and the benefit or value very little, or *vice versa*. In the case of an exchange or transfer of an article from one person to another, the Cost relates to the party who makes the transfer, the burden of the production falling on him, and the Value to the party to whom the transfer is made, the article going to his benefit. It is the same if the object exchanged is labor directly. It follows, therefore, that to say that "a thing should bring what it is worth," which is the same as to say that *its price should be measured by its value*, is quite the opposite of affirming that it should bring *as much as it cost the producer to produce it.* Hence, both rules cannot be true, for they conflict with

and destroy each other. But we have already seen that it is exactly equitable that Cost be adopted as the universal limit of price,—in other words, that as much burden shall be assumed by each party to the exchange as is imposed upon the opposite party. Consequently the accepted axiom of trade that “a thing should bring what it is worth” proves, when tested by simply balancing the scales of Equity, to be not only erroneous, but, so to speak, the antipodes of the true principle. Such is the result when we recur to fundamental investigation. It will be rendered equally obvious in the sequel, by a comparison of the consequences of the two principles in operation, that *Cost* is the true and *Value* the false measure of price.

132. But although *Value* is not the legitimate limit of Price nor even an element in the price, it is, nevertheless, an element in the bargain. *It is the Value of the thing to be acquired which determines the purchaser to purchase.* It belongs to the man who labors or produces an article, estimating for himself, as we have seen, the amount of burden he has assumed, to fix the price, measured by that burden or Cost. He alone knows it, and he alone, therefore, can determine it. It belongs, on the other hand, to the purchaser to estimate for himself the Value of the labor or commodity to him. He alone can do so in fact, for he alone knows the nature of his own wants. By the settlement of the first point—the Cost to the producer—the Price becomes a fixed sum. If the Value then exceeds that sum in the estimation of the other party, he will purchase; otherwise, not. Hence the Value, though not an element in the Price, is an element in the bargain. The Price is a consideration wholly for the vender, and the Value a consideration wholly for the purchaser.

133. As this is also a point of great importance, let us state it again. If you require and desire to obtain one hour or one year of my services, or the results of those services in commodities, which is the same thing, it is a matter which does not concern me,—it is impertinence on my part to concern myself with the question of the degree of benefit you will derive from such services. That is purely a question for your own consideration, and determines you whether you can afford to give me the equitable price of my labor,—whether the *value* to you equals the *cost* to me,—that is, *it determines the demand.* Your estimate of that value or benefit to you may be based on considerations obvious to others, or upon a mere whim or caprice to the gratification of which others would attach no importance. But it belongs to the Sovereignty of the Individual to gratify even one’s whims or caprices without hindrance or interference from others, at his own cost, which is, when the services of others are required to that end, by paying to them the cost *to them* of such services.

134. On the other hand, it is equally an impertinence for you, in the case supposed, to attempt to settle for me the degree of attraction or repugnance which there is *to me* in the performance of the services which you require. No one else but myself can possibly know that. No one else can therefore fix a just price up-

on my labor. Hence it follows that both *value* and *cost* enter into a bargain, even when legitimately made. But *value* goes solely to determine the *demand*, and is solely cognizable by the *purchaser* or *consumer*,—by *him who receives*, while *cost* (or *burden*) goes to determine the *price*, and is solely cognizable by the *seller* or *producer*,—by *him who renders*. By this means the cost of each one's acts is made to fall on himself, which is the essential condition to the rightful exercise of the Sovereignty of the Individual. If you over-estimate the value to you of my services, you endure the cost or disagreeable consequences of your mistake or want of judgment. If I, on the other hand, under-estimate the cost or endurance of the performance to me, the cost of that error falls on me, submitting each of us to the government of consequences, the only legitimate corrective. If, again, I over-estimate the cost to me and ask a price greater than your estimate of the value to you, there is no bargain, and I have lost the opportunity of earning a price measured by the real cost of the performance, so that the cost of my mistake falls again on me; while—the market being open, and a thorough adjustment of supply to demand being established—others will make a juster estimate, whose services you will procure, and you will suffer no inconvenience. Competition will regulate any disposition on my part to overcharge. (160.)

135. All this is reversed in our existing commerce. The vender adjusts his price to what he supposes to be its value to the purchaser,—that is, to the degree of want in which the purchaser is found,—never to what the commodity cost himself; thus interfering with what cannot concern him, except as a means of taking an undue advantage. The purchaser, on the other hand, offers a price based upon his knowledge or surmise of what the degree of want of the vender may force him to consent to take. Hence the cannibalism of trade.

136. But it is objected that in the case supposed above, while nominally adjusting my price to the degree of repugnance to myself, I may in fact take into account the degree of your want, and charge you as much as I think you will endure. This objection, otherwise stated, is simply this,—that the Individual, in the exercise of his sovereign freedom, may abandon the Cost Principle, or, in other words, the true principle, and return to the value, or false principle. That is, in other words, again, simply to affirm that there is nothing in the true principle to force the Individual to comply with it, to the extent of depriving him of his freedom to do otherwise. This is granted. Any such compulsion would infringe upon the principle of the Sovereignty of the Individual, which is, if possible, still more important than the *Cost Principle* itself. Once for all let it be distinctly understood that the principles of Equitable Commerce do not serve directly and mainly to coerce men into true or harmonic relations when destitute of the desire for such relations. Their first office is, on the other hand, to inform those who do desire such relations, how they may be attained. If it is assumed that there are no such persons, then, certainly, the supply of true principles, of any sort, is a *supply* without a *demand*,—but not otherwise.

137. The secondary or indirect effect of true commercial principles in operation will be, however, correctional, and in one sense coercive, but coercive in a sense entirely compatible with freedom. It will be to throw the consequences of each one's deviation from right practice upon himself, leaving him free to exercise his own Sovereignty, but free to do so, as he ought, at his own cost, while they will surround him with a public sentiment in favor of honesty more potent than laws, at the same time that they will remove the temptations now existing to infringe the rights of others. It will be seen at another point that competition, which is now the tyrant that forces men to be dishonest, will, under these principles, operate with equal power to induce them to be honest. (160, 206.)

138. An illustration of the entire disconnection between Price and the Value to the purchaser is found in the one-price store, in existing commerce. Upon this plan of trade the prices are fixed by the merchant-vender of the goods, and each article is labeled at a fixed and invariable amount. The customer has nothing whatever to do with fixing those prices. On the other hand, it is the purchaser alone who determines whether the Value of an article to him is sufficient to induce him to purchase at the price fixed. In these particulars the operation is the same as that of *Equitable Commerce*. It differs, however, in the essential particular that the merchant, in fixing his prices, is governed by no scientific principle. The prices are not adjusted by any equitable standard. They rest upon an uncertain and fluctuating basis, partly Cost, partly the necessities or cupidity of the vender, and partly the supply and demand or the supposed Value to the purchaser. Value is thus made actually an element of the price in a general way, though not in the particular case. The vender refuses to vary his price according to the particular Value to the particular purchaser, but he has previously taken into the account the general value to purchasers at large. The case is only good, therefore, to illustrate the single point for which it was adduced,—namely, the separability of Price and Value to the purchaser,—the fact that they are not necessarily commingled with each other. The ticket at the theatre, the public lecture, the railroad, etc., furnishes another illustration of the same fact. The price is invariable, and the purchaser is left to determine for himself whether the *Value* equals the *Cost*; if so in his opinion, there is a bargain, otherwise not.

139. As respects the propriety of measuring Price by Value, in the first place, it is essentially impossible to measure Value EXACTLY, or, in other words, to ascertain the precise WORTH of labor or commodities.

*Cost* is a thing which looks to the past, and is therefore certain. *Value* is a thing which looks to the future, and is therefore contingent and uncertain. A bushel of potatoes lies before us. It is possible to estimate with accuracy how much human labor it ordinarily takes to produce that amount of that article, and how disagreeable the labor is as compared with other kinds, and then we have the standard cost of the article; but who will undertake to say what the value of that

bushel of potatoes is as it stands in the market? Value, remember, is the degree of benefit it will confer upon the person or persons who are to consume it. That value, it is obvious, will vary with every one of the fifty thousand persons in the city who may chance to purchase it, and will vary with the extremes of saving twenty human lives (as it may do on shipboard, for example) and nothing at all, for the potatoes may stock a larder already overstocked and be permitted to decay, appropriated to no beneficial purpose whatsoever. As every one of the twenty starving persons would gladly have given at least ten thousand dollars for his share of the potatoes rather than not have had them, the value of the bushel of potatoes is any thing between cipher and two hundred thousand dollars.

Take a more complicated case. It is possible to calculate how much it costs, down to the fraction of a cent (or, more properly, of an hour's labor), to convey a man from New York to Albany on a first-class steamboat,—the Isaac Newton or the Hendrick Hudson for example,—taking into account the cost of construction, the cost of running, the number of persons regularly traveling among whom the expense is to be divided, etc. But who will undertake to calculate the different values of a trip up the Hudson to the eight hundred or a thousand persons who gather at the wharf at the departure of one of those magnificent boats? One is neglecting his business at home and going on a speculation in which he will lose a thousand dollars. How much is the trip worth to him? There is a bridegroom and bride going off to enjoy the honeymoon. How much in hard money is the trip worth to them? There stands a poor invalid who hopes to recover a little health by the cool breezes on the quiet river. There is a young man fresh from school, just starting out to see the world and gratify his curiosity. There is a sharper who will cheat somebody out of a few hundreds before he gets back, and so on. What is the *Value* to each of these of a trip up the Hudson? Value is the benefit to be done to each. How big is a piece of chalk? How much is considerable? How far is a good ways? And yet all the political economy, all the calculations of finance, all the banking, all the trading and commercial transactions in the world, are based upon the idea of the measurement and comparison of *Values*. Even Mr. Kellogg, Mr. Gray, and others who write as financial reformers, and whose labors in demonstrating the oppressive operation of interest or rent on money are invaluable, fall into the same error. Mr. Kellogg has a chapter "On the Power of Money to Measure Value," and asserts without question that this is one of the legitimate functions of a circulating medium.

140. It is possible, it is true, for parties to form an *estimate* of relative values, based upon their present knowledge of all future contingencies, and thus to prefer one thing to another in a certain ratio; but the very next event which occurs may show the calculation of chances to have been entirely fallacious, and the real value of the object, on the one hand or the other, to be entirely different from what was anticipated. Hence, every exchange, based upon the comparison of values, is a

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speculation upon the probabilities of the future, and not a scientific measurement of that which already exists. All trade under the existing system is therefore speculation, in kind, the uncertainty differing in degree, and all speculation is gambling, or the staking of risks against risks. The instrument of measurement is equally defective, as has been already shown in discussing the nature of money. (77, 125.)

141. In the next place, if it were possible to measure Values precisely, *the exchange of commodities according to Value would still be a system of mutual conquest and oppression*,—not a beneficent reciprocation of equivalents. This will appear by one or two simple illustrations.

142. I.—Suppose I am a wheelwright in a small village, and the only one of my trade. You are traveling with certain valuables in your carriage, which breaks down opposite my shop. It will take an hour of my time to mend the carriage. You can get no other means of conveyance, and the loss to you, if you fail to arrive at the neighboring town in season for the sailing of a certain vessel, will be five hundred dollars, which fact you mention to me, in good faith, in order to quicken my exertions. I give one hour of my work and mend the carriage. What am I in equity entitled to charge—what should be the *limit of price* upon my labor?

Let us apply the different measures and see how they will operate. If Value is the limit of price, then the price of the hour's labor should be five hundred dollars. That is the equivalent of the value of the labor to you. If cost is the limit of price, then you should pay me a commodity, or commodities, or a representative in currency which will procure me commodities, having in them one hour's labor equally as hard as the mending of the carriage, without the slightest reference to the degree of benefit which that labor has bestowed on you: or, putting the illustration in money, thus; assuming the twenty-five cents to be an equivalent for an hour's labor of an artisan in that particular trade, then according to the *Cost Principle* I should be justified in asking only twenty-five cents, but according to the *Value Principle* I should be justified in asking five hundred dollars.

143. The *Value Principle*, in some form of expression, is, as I have said, the only *recognized* principle of trade throughout the world. "A thing is worth what it will bring in the market." Still if I were to charge you five hundred dollars, or a fourth part of that sum, and, taking advantage of your necessities, force you to pay it, everybody would denounce me, the poor wheelwright, as an extortioner and a scoundrel. Why? Simply because this is an *unusual* application of the principle. Wheelwrights seldom have a chance to make such a "speculation," and therefore it is not according to the "established usages of trade." Hence its manifest injustice shocks, in such a case, the common sense of right. Meanwhile you, a wealthy merchant, are daily rolling up an enormous fortune by doing business upon the same principle which you condemn in the wheelwright, and nobody finds fault. At every scarcity in the market you immediately raise the price of every

article you hold. It is your *business* to take advantage of the necessities of those with whom you deal, by selling to them according to the *Value* to them, and not according to the *Cost* to you. You go further. You, by every means in your power, create those necessities by buying up particular articles and holding them out of the market until the demand becomes pressing, by circulating false reports of short crops, and by other similar tricks known to the trade. This is the same in principle as if the wheelwright had first dug the rut in which your carriage upset and then charged you the five hundred dollars.

Yet hitherto no one has thought of seriously questioning the principle, — namely, that “*Value is the limit of Price,*” or, in other words, that *it is right to take for a thing what it is worth.* It is upon this principle or maxim that all *honorable* trade professes now to be conducted, until instances arise in which its oppressive operation is so glaring and repugnant to the moral sense of mankind that those who carry it out are denounced as rogues and cheats. In this manner a sort of conventional limit is placed upon the application of a principle which is equally *the principle* of every swindling transaction, and of what is called legitimate commerce. The discovery has not hitherto been made that the principle itself is essentially vicious, and that in its infinite and all-pervading variety of applications this vicious principle is *the source* of the injustice, inequality of condition, and frightful pauperism and wretchedness which characterize the existing state of our so-called civilization. Still less has the discovery been made that there is another simple principle of traffic which, once understood and applied in practice, will effectually rectify all those monstrous evils, and introduce into human society the reign of absolute equity in all property relations, while it will lay the foundations of universal harmony in the social and moral relations as well.

144. II.—Suppose it costs me ten minutes’ labor to concoct a pill which will save your life when nothing else will; and suppose, at the same time, to render the case simple, that the knowledge of the ingredients came to me by accident, without labor or *cost*. It is clear that your life is worth to you more than your fortune. Am I, then, entitled to demand of you for the nostrum the whole of your property, more or less? Clearly so, if *it is right to take for a thing what it is worth*, which is theoretically the highest ethics of trade.

145. Forced, on the one hand, by the impossibility, existing in the nature of things, of ascertaining and measuring positive values, or of determining, in other words, what a thing *is really worth*, and rendered partially conscious by the obvious hardship and injustice of every unusual or extreme application of the principle that it is either no rule or a bad one, and not guided by the knowledge of any true principle out of the labyrinth of conflicting rights into which the false principle conducts, the world has practically abandoned the attempt to combine Equity with Commerce, and lowered its standard of morality to the inverse statement of the formula, — namely, that “*A thing is worth what it will bring.*” or, in other words, that

it is fitting and proper to take for a thing when sold whatever can be got for it. This, then, is what is denominated the Market Value of an article, as distinguished from its actual value. Without being more equitable as a measure of price, it certainly has a great practical advantage over the more decent theoretical statement, in the fact that it is possible to ascertain by experiment how much you can force people, through their necessities, to give. The principle, in this form, measures the price by the degree of *want* on the part of the purchaser,—that is, by what he supposes will prove to be the value or benefit to him of the commodity purchased, in comparison with that of the one with which he parts in the transaction. Hence it becomes immediately and continually the interest of the seller to place the purchaser in a condition of as much want as possible, to “corner” him, as the phrase is in Wall street, and force him to buy at the dearest rate. If he is unable to increase his actual necessity, he resorts to every means of creating an imaginary want by false praises bestowed upon the qualities and uses of his goods. Hence the usages of forestalling the market, of confusing the public knowledge of Supply and Demand, of advertising and puffing worthless commodities, and the like, which constitute the existing commercial system,—a system which, in our age, is ripening into putrefaction, and coming to offend the nostrils of good taste no less than the innate sense of right, which, dreadfully vitiating as it is, it has failed wholly to extinguish.

146. The Value Principle in this form, as in the other, is therefore *felt*, without being distinctly understood, to be essentially diabolical, and hence it undergoes again a kind of sentimental modification wherever the *sentiment* for honesty is most potent. This last and highest expression of the doctrine of honesty, as now known in the world, may be stated in the form of the hostatory precept, “Don’t be *too* bad,” or, “Don’t gouge *too* deep.” No Political Economist, Financier, Moralist, or Religionist has any more definite standard of right in commercial transactions than that. It is not too much to affirm that neither Political Economist, Financier, Moralist, nor Religionist knows at this day, nor ever has known, what it *is* to be honest. The religious teacher, who exhorts his hearers from Sabbath to Sabbath to be *fair* in their dealings with each other and with the outside world, does not know, and could not for his life tell, how much he is, in fair dealing or equity, bound to pay his washerwoman or his housekeeper for any service whatever which they may render. The *sentiment* of honesty exists, but the *science* of honesty is wanting. The sentiment is first in order. The science must be an outgrowth, a consequential development, of the sentiment. The precepts of Christian Morality deal properly with that which is the soul of the other, leaving to intellectual investigation the discovery of its scientific complement.

147. It follows from what has been said that the Value Principle is the commercial embodiment of the essential element of conquest and war.—war transferred from the battle-field to the counter,—none the less opposed, however, to the spirit

of Christian Morality or the sentiment of human brotherhood. In bodily conflict the physically strong conquer and subject the physically weak. In the conflict of trade the intellectually astute and powerful conquer and subject those who are intellectually feeble, or whose intellectual development is not of the precise kind to fit them for the conflict of wits in the matter of trade. With the progress of civilization and development we have ceased to think that superior physical strength gives the *right* of conquest and subjugation. We have graduated, in idea, out of the period of physical dominion. We remain, however, as yet in the period of intellectual conquest or plunder. It has not been questioned hitherto, as a general proposition, that the man who has superior intellectual endowments to others has a right resulting therefrom to profit thereby at the cost of others. In the extreme applications of the admission only is the conclusion ever denied. In the whole field of what are denominated the legitimate operations of trade there is no other law recognized than the relative "smartness" or shrewdness of the parties, modified at most by the sentimental precept stated above.

148. The intrinsic wrongfulness of the principal axioms and practice of existing commerce will appear to every reflecting mind from the preceding analysis. It will be proper, however, before dismissing the consideration of the Value Principle, to trace out a little more in detail some of its specific results.

The principle itself being essentially iniquitous, all the fruits of the principle are necessarily pernicious.

Among the consequences which flow from it are the following:

149. I.—*It renders falsehood and hypocrisy a necessary concomitant of trade.* Where the object is to buy cheap and sell dear, the parties find their interest in mutual deception. It is taught, in theory, that "honesty is the best policy," in the long run, but in practice the merchant discovers speedily that he must starve if he acts upon the precept—in the short run. Honesty—even as much honesty as can be arrived at—is *not* the best policy under the present unscientific system of commerce, if by the best policy is meant that which tends to success in business. Professional merchants are sharp to distinguish their true policy for that end, and they do not find it in a full exposition of the truth. Intelligent merchants know the fact well, and conscientious merchants deplore it; but they see no remedy. The theory of trade taught to innocent youths in the retired family, or the Sunday school, would ruin any clerk, if adhered to behind the counter, in a fortnight. Hence it is uniformly abandoned, and a new system of morality acquired the moment a practical application is to be made of the instruction. A frank disclosure, by the merchant, of all the secret advantages in his possession would destroy his reputation for sagacity as effectually as it would that of the gambler among his associates. Both commerce and gambling, as professions, are systems of strategy. It is the business of both parties to a trade to overreach each other,—a fact which finds its unblushing announcement in the maxim of the Common Law, *Caveat emptor* (let the purchaser take care).

150. II.—*It makes the rich richer, and the poor poorer.* Trade being, under this system, the intellectual correspondence to the occupation of the cut-throat or conqueror under the reign of physical force,—the stronger consequently accumulating more than his share at the cost of the destruction of the weaker,—the consequence of the principle is that the occupation of trade, for those who possess intellectual superiority, with other favorable conditions, enables them to accumulate more than their share of wealth, while it reduces those whose intellectual development—of the precise kind requisite for this species of contest—and whose material conditions are less favorable, to wretchedness and poverty.

151. III.—*It creates trade for trade's sake, and augments the number of non-producers, whose support is chargeable upon Labor.* As trade, under the operation of this principle, offers the temptation of illicit gains and rapid wealth at the expense of others, it creates trade where there is no necessity for trade,—not as a beneficent interchange of commodities between producers and consumers, but as a means of speculation. Hence thousands are withdrawn from actual production and thrust unnecessarily into the business of exchanging, mutually devouring each other by competition, and drawing their subsistence and their wealth from the producing classes, without rendering any equivalent service. Hence the interminable range of intermediates between the producer and consumer, the total defeat of organization and economy in the distribution of products, and the intolerable burden of the unproductive classes upon labor, together with a host of the frightful results of pauperism and crime.

152. IV.—*It degrades the dignity of Labor.* Inasmuch as trade, under the operation of this principle, is more profitable, or at any rate is liable to be, promises to be, and in a portion of cases is more profitable than productive labor, it follows that the road to wealth and social distinction lies in that direction. Hence “Commerce is King.” Hence, again, productive labor is depreciated and contemned. It holds the same relation to commerce in this age—under the reign of intellectual superiority—that commerce itself held a few generations since—under the reign of physical force—to military achievement, personal or hereditary. Thus the degradation of labor, and all the innumerable evils which follow in its train, in our existing civilization, find their efficient cause in this same false principle of exchanging products. The next stage of progress will be the inauguration of Equity,—equality in the results of every species of industry according to burdens and the consequent accession of labor to the highest rank of human estimation. Commerce will then sink to a mere brokerage, paid, like any other species of labor, according to its repugnance, as the army is now sinking to a mere police force. It will be reduced to the simplest and most direct methods of exchange, and made to be the merest servant of production, which will come, in its turn, to be regarded as conferring the only true patents of nobility.

153. V.—*It prevents the possibility of a scientific Adjustment of Supply to Demand.*

It has been already shown that speculation is the cause why there has never been, and cannot now be, any scientific Adaptation of Supply to Demand. (35, 36.) It has also been partially shown, at various points, that speculation, or trading in chances and fluctuations in the market, has its root in the Value Principle, and that the Cost Principle extinguishes speculation. It will be proper, however, in this connection to define exactly the limits of speculation, and to point out more specifically how the Value Principle creates it, and how the Cost Principle extinguishes it.

154. By speculation is meant, in the ordinary language of trade, risky and unusual enterprises entered upon for the sake of more than ordinary profits, and in that sense there is attached to it, among merchants, a slight shade of imputation of dishonesty or disreputable conduct. As we are seeking now, however, to employ language in an exact and scientific way, we must find a more precise definition of the term. The line between ordinary and more than ordinary profits is too vague for a scientific treatise. At one extremity of the long succession of chance-dealing and advantage-taking transactions stands gambling, which is denounced by the common verdict of mankind as merely a more specious form of robbery. It holds the same relation to robbery itself that duelling holds to murder. Where is the other end of this succession? At what point does a man begin to take an undue advantage of his fellow-man in a commercial transaction? It clearly appears, from all that has been shown, that he does so from the moment that he receives from him more than an exact equivalent of cost. But it is the constant endeavor of every trader, upon any other than the Cost Principle, to do that. The business of the merchant is profit-making. *Profit* signifies, etymologically, *something made over and above*,—that is, something beyond an *equivalent*, or, in its simplest expression, *something for nothing*.

155. It is clear, then, that there is no difference between profit-making in its mildest form, speculation in its opprobrious sense as the middle term, and gambling as the ultimate, except in degree. There is simply the bad gradation of rank which there is between the slaveholder, the driver on the slave plantation, and the slavedealer, or between the man of pleasure, the harlot, and the pimp.

156. The philanthropy of the age is moving heaven and earth to the overthrow of the institution of slavery. But slavery has no scientific definition. It is thought to consist in the feature of chattelism, but an ingenious lawyer would run his pen through every statute upon slavery in existence, and expunge that fiction of the law, and yet leave slavery, for all practical purposes, precisely what it is now. It needs only to appropriate the services of the man by operation of law, instead of the man himself. The only distinction, then, left between his condition and that of the laborer who is robbed by the operation of a false commercial principle would be in the fact of the oppression being more tangible and undisguisedly degrading to his manhood.

157. If, in any transaction, I get from you some portion of your earnings without an equivalent, I begin to make you my slave, — to confiscate you to my uses; if I get a larger portion of your services without an equivalent, I make you still further my slave; and, finally, if I obtain the whole of your services without an equivalent, — except the means of keeping you in working condition for my own sake, — I make you completely my slave. Slavery is merely one development of a general system of human oppression, for which we have no comprehensive term in English, but which the French Socialists denominate *exploitation*, — the abstraction, directly or indirectly, from the working classes of the fruits of their labor. In the case of the slave the instrument of that abstraction is force and legal enactments. In the case of the laborer, generally, it is speculation in the large sense, or *profit-making*. The slaveholder will be found, therefore, upon a scientific analysis, to hold the same relation to the trader which the freebooter holds to the blackleg. It is a question of taste which to admire most, the dare-devil boldness of the one, or the oily and intriguing propensities and performances of the other.

158. But, you exclaim, why should I sell at cost? How am I to live as a merchant without profits? Never you mind. That is not the question now up. Perhaps the world has no particular use for you as a merchant. We will take care of all that by and by. Just now all that we are doing is to settle the nature of certain principles. We shall want some merchants after all, and will pay them just what they are equitably entitled to. Do you want more? I shall now be understood when I say that the Cost Principle is merely *the mutual abandonment, on all hands, of every species of PROFIT-MAKING, — each contenting himself with simple EQUIVALENTS OF COST in every exchange*. It will be perceived, too, that the term *speculation* is used as synonymous with *profit-making*, when it is affirmed that *that* has hitherto defeated the Adaptation of Supply to Demand. With the cessation of profit-making there is no longer any temptation to conceal from each other any species of knowledge bearing upon that subject. At that point gazetteers, catalogues, and statistical publications of all sorts spring into existence, giving exact information upon every point connected with the demand and supply of labor and commodities and the production and distribution of wealth.

159. VI. — *The Value Principle renders Competition destructive and desperate.* The general subject of Competition will be more fully considered under another head. (202.) The consequence here stated follows in part as a necessary result of the preceding one, the want of Adaptation of Supply to Demand, and in part from the robbery of labor by the system now in operation. In the existing state of things there is an apparent surplus of both commodities and laborers, and the result is that men and women who are able to work, and willing to work, are not able to find employment. Hence, to be thrown out of occupation by competition is a frightful calamity, always implying distress, frequently destitution and wretchedness, and sometimes absolute starvation, while the fear of such a catastrophe is a

demon which haunts continually the imagination of the workingman, afflicting him with a misery hardly less real than the occurrence of the calamity itself. It is the tendency and direct effect of competition to throw out the inferior workman from every occupation, and to supply his place by the superior workman in that particular branch of industry. This tendency, direful as its consequences are in the existing state of things, is nevertheless a right tendency, and society ought to be organized upon such principles that it should have full play—to an extent far beyond what it now has—with no other than beneficent results to all. It is perfectly right that the inferior workman should be thrown out of any employment to make room for the superior workman in that employment. To retain the inferior workman in any occupation, while there is in the whole world a superior workman for that occupation, who can do the same work at less *cost*, and therefore upon the Cost Principle at a less *price*, is bad economy of means,—as bad as it is to employ an inferior machine or process after a superior machine or process has been discovered,—and any system or set of relations which works out bad results from such appropriate substitution of the superior for the inferior instrument must be itself essentially bad.

160. It is now calamitous for any person to be thrown out of his particular occupation for several reasons, all of which either relate directly to the operations of the Value Principle, or indirectly to it, through the general want of the Adaptation of Supply to Demand, which is occasioned by it.

161. The principal of these are: 1. Because *when one avenue to industry is closed another is not opened*, as would be the case if supply and demand were accurately adjusted; and hence *apparently* there is not enough labor for all. In the existing order, or rather disorder of commerce, there is what is called over-production. More of a given article seems to be produced than is wanted, which is shown by the fact that it cannot be disposed of in the market at any price. With all the irregularities of existing commerce this seldom happens. The evil does not generally go beyond the reduction of price. When it does, it is because there is now no provisory means of adjusting supply and demand. The producer cannot know beforehand, for example, precisely how many persons are engaged in rearing the particular kind of fruit which he cultivates, what number of trees they have, the amount of fruit annually consumed in the city where they find their market, etc. But although the workings of the law of supply and demand are not pointed out to him beforehand, the law is sure to work, nevertheless. It is inflexible as the law of the Medes and Persians. It will punish the error, although it did not prevent it. The over-supply may happen one year, but it will not happen the second and the third years. The persons employed in that kind of production will find their way into other pursuits. In a country which should prohibit all change of pursuits, that remedy would not exist. The evil would have to go on, or be remedied by the starvation of the producer of the given article. In America, where

the avenues to every pursuit are *more* open than elsewhere, the remedy is more speedy than elsewhere. Under the reign of Equity, the evil would not exist, *because there would be a provisory adjustment of the supply to the demand*, and, if it did occur, the remedy would be immediate, *because ALL avenues to ALL pursuits would be open to ALL* by means of that adjustment, and the general preparedness of all to change rapidly their pursuits, together with the general prevalence of coöperation. (163.)

Still there is, in the nature of things, and apart from the workings of any particular system, a limit to the demand for every article. When that demand is supplied, must not the demand for labor cease? Certainly, for the production of more of that particular article. We have seen, however, that that labor will go into different avenues,—that is, into the production of other articles. If the question is, whether all the wants of all mankind will not be so completely supplied that there will be no occasion for further labor, the answer is three-fold. First, so soon as the labor ceased, consumption would reproduce the wants and the demand. Secondly, if this were partially so, it would only give additional leisure for mental improvement and other means of enjoyment to all mankind by emancipating them so far from the necessity of labor. Thirdly, the wants of human beings are infinite. As the lower wants are supplied higher wants are developed. So soon as men and women have ordinary food, clothing, and shelter, they demand luxuries, and these of a higher and still higher class. The gratification of every taste creates a new demand. It is impossible, therefore, that the demand for human labor, and for *all* the labor which can be given, should ever cease. Hence there is no such thing possible as a real over-stocking of the world with labor, or the products of labor. There is no such thing possible as a real dearth of labor to be performed. With all the avenues continually open, there will then always be a demand for all the labor that any body is ready to perform, even down to the inferior and lowest grades of skill. It will be still more clearly shown, in treating of the remaining results of the Cost Principle, how, under the true system, the avenues to every pursuit will be open to every individual at all times without artificial obstacles, and how there will be at all times labor enough for all. (213.)

162. 2. Because, *when avenues are open to new pursuits, men and women are not now prepared to avail themselves of them*. This unpreparedness results from their wretchedly cramped and insufficient industrial education. This results again from speculation. Men now strive, on all hands, to monopolize those occupations which are most *profitable*, and hence to exclude others from acquiring the necessary knowledge to enable them to enter them. Hence there results from the value or profit-making principle a general embargo on knowledge, and the reduction of all classes to narrowness of information and general ignorance. Information in any trade or pursuit is made a means of speculation. Hence the barbarous system of seven-years' apprenticeships, and other similar absurdities. Hence, when men and

women are thrown out of any particular occupation to which they have been bred and moulded, they are fitted for nothing but pauperism. Under the operation of the Cost Principle all this will be reversed. Every member of the community will be a MAN or a WOMAN, competent to do various things,—not a mere appendage to a trade, carrying from the cradle to the grave the badge of servitude in the degrading appellation of tailor, weaver, shoemaker, joiner, and the like. Now, shops are fenced in, locked and bolted, to keep out intruders and shut up the information contained in them. Trades are hedged in by the absurd and barbarous system based on Value. Men who have knowledge of any kind hoard it. They look, unnaturally, upon those who would learn of them as if they were enemies. As the result, the avenues to different occupations are everywhere obstructed by artificial obstacles. Then information of all sorts will be freely given to all. Suggestions will be made on all hands, aiding every one to enter that career in which he can most benefit, not himself only, but the whole public. In a word, all the avenues to every occupation will be thrown completely open to all, and all knowledge be freely furnished to all at the mere cost of the labor of communicating it, measured, like any labor, by its repugnance only.

163. VII.—*The Value Principle renders the invention of new machinery a widespread calamity, instead of a universal blessing.* The hostility so generally felt by laboring men to new inventions is not without reason. It is certainly true that machinery is a great benefit to mankind at large, and that in the aggregate and in the long run it improves the condition even of laboring men as a class. But it is equally true, on the other hand, that every invention of a labor-saving process is, under the present arrangements of society, an immediate individual misfortune, and frequently nothing less than ruin and starvation to a large number of individuals of that class. This result comes from the causes stated above, which render it impossible for the laborer to pass rapidly and harmoniously from one occupation to another, and from the monopoly of the immediate benefits of the saving secured by the machine, by capital, and all these again from profit-making, or the operation of the Value Principle. It is the same with competition and machinery. Competition, even in the present order of things, is productive of far more good than evil, looking to the aggregate and the long run, while it is ruinous and destructive immediately and individually. Under the new order both will become purely harmonic and beneficent. (208, 243.)

164. This catalogue of the deleterious results of the false principle of trade might and should be extended, and the details expanded beyond what the limits of this work will allow. The reader will add, for himself, the monopolizing of natural wealth, the perversion of skill to the shamming or adulteration of every species of commodity, the waste of time and exertion in detecting and defeating frauds and cheats, the general want of economy in the production of wealth, the cost of convicting and punishing criminals, constructing poor-houses and prisons, etc., etc., etc., *ad infinitum*.

It must suffice here to affirm that out of these several consequences of the operation of the Value Principle results that complicated system of injustice, discord, distrust, and repulsion which have usurped the place of the spirit of peace, order, and social harmony, and which characterizes, in the most eminent degree, in the midst of their success, the most commercial and prosperous nations. The comparison of the present is not to be instituted however, mainly, with any condition of society prior to the commercial age, since different manifestations of the want of equity have characterized them also. The exhibition of relations of truth in human intercourse could not precede the discovery of the principles according to which such relations must be adjusted.

165. The operation of the Cost Principle reverses every one of the consequences which I have pointed out or intimated as the legitimate fruits of the principle which now governs the property relations of mankind. In the next chapter we shall return to the consideration of the results of the true principle.

## CHAPTER V.

## MENIAL LABOR RAISED IN PRICE.

166. The next result of the Cost Principle is one which is not less diverse from the operations of existing commerce or society, although its essential justice may to many minds be more obvious,—namely, that according to it *the more ordinary and menial kinds of labor will be usually paid best*. This result follows from the fact that all pursuits are paid according to their repugnance, and there is less in the inferior grades of labor to commend them to the taste and render them attractive. This result is qualified by the statement that such labor is *usually* paid best, because it is not always so. Severe mental labor may be more toilsome, painful, and repugnant than any corporeal labor whatever, and consequently *cost* more. This point will be more fully stated hereafter, in referring to the tax of different occupations upon different faculties. Besides, very little judgment can be formed from the present ideas upon the subject as to what kinds of labor will be regarded, under the operation of true principles, as inferior to, or more menial than others.

167. It is certain that every species of industry will be relatively very much elevated by the mere fact of being appropriately rewarded, and still more so by the consequent prevalence of more rational notions in relation to the dignity of labor. The principle here asserted merely amounts to this,—that whatever kinds of labor actually have in them the greatest amount of drudgery, from any cause, even from the whims and prejudices of society against them, and which are therefore most repugnant, will be best paid. The contrary is true now. Such labors are the most scantily paid. Consequently the more work or burden there is in any occupation, the less pay. There is such an obvious want of equity in this that the mere statement of the fact condemns it. Yet the common associations and habits of thought are so completely overturned by the idea of boot-blacking, street-cleaning, washing, scrubbing, etc., being paid higher prices than painting, sculpture, forensic oratory, and the largest commercial transactions, as they might, and probably would be, under the application of repugnance or cost as the measure of price, that the mind hesitates to admit the conclusion that such is the dictate of simple Equity. The principle of Equity is, nevertheless, clear and self-evident; and while the principle is admitted, the conclusion is inevitable.

168. The first resort of an illogical and determined opposition to this conclusion is to fly off from the principle to the consequences of the conclusion upon the condition and interests of society. These, as they address themselves to the mind of

a superficial observer, are repugnant, and even disastrous to the general good. A closer inspection, however, and especially a more comprehensive conception of *all* the changed conditions of society which will grow out of the operation of the Cost Principle, will reverse that opinion, and furnish an illustration of the fact that a true principle may always be trusted to work out true and harmonious results. The objections deduced from these supposed consequences require, however, to be noticed.

169. These objections are chiefly the following: It is objected, in the first place, that the effect of this system of remuneration would be to banish refinement, by placing those persons having less elevated tastes in the possession of the greater wealth, and those having more elevated tastes in the possession of less.

This is substantially the same objection which is urged by aristocracies generally against educating and improving the condition of the common people. It makes the assumption that the whole people are not susceptible of refinement, which is assuming too much. The objection draws its force chiefly from the existing state of society, the prevailing great inequalities in the distribution of wealth, and the general degradation of the masses consequent thereon. The result of the operation of the Cost Principle, or of the reign of Equity, will be an immense augmentation of the aggregate of wealth, and a far greater approach to equality in its distribution. It will be, in fact, the abolition of poverty, and the installation of general abundance and security of condition. The particular modes in which these results will be attained will be referred to under other heads.

170. Consequently, in the state of society growing legitimately out of the operation of Equity, refinement, so far as that depends on the possession of wealth, will be, so to speak, the inheritance of all, and any objection, to be valid, should be taken within the circle of the new principles, — not drawn from a system of society quite alien to them.

171. Various calculations, and some actual experiments, go to establish the position that, if the laborer enjoyed the full results of his own labor in immediate products or equivalents of cost, *two hours of labor a day* would be ample to supply the ordinary wants of the individual, — that is, to bring his condition up to the average standard of comfort, — even without the benefits of labor-saving machinery or the economies of the large scale. With those extraordinary benefits the time necessary for such a result will be very much reduced; if it would not seem extravagant, I should say to one half hour's labor a day, — such being the nearest result at which calculation can arrive from such *data* as can now be obtained. The remaining time of the Individual would then be at his disposition for providing a higher grade of luxury, for mental improvement and amusement, and for laying up accumulations of wealth as a provision for sickness, old age, the indulgence of benevolence, taste, etc. Of course all calculations of this sort must be merely approximative. The terms used are too indefinite to render them more than that,

even if the degree of saving, by a true arrangement of the production and distribution of wealth, could be rendered definite, comfort, luxury, etc., being always, in a great measure, relative to the individual. The estimate here stated, however, is the result of extensive investigations, made by different individuals, and in different countries, and of considerable actual experiment, the particulars of which will be stated elsewhere, and, as an approximation, it is believed that it is not very far from correct. The reason why this two hours of labor is now augmented to ten, twelve, fourteen, and even sixteen hours for those who labor, and even then without resulting in ordinary comfort, is of the same kind as those which have already been stated why others cannot procure labor at all, and such as have been shown to be the legitimate results of the Value Principle. It is, in one word, because the state of society begotten of that principle is, as has been affirmed, a state of latent but universal war, and because all war is an exhausting drain upon peaceful industry. The men and women who work have now to support, ordinarily, not one individual each, but many, including the wealthy and speculating classes, the paupers, those who are thrown temporarily out of labor, the armies and navies, the officials, and, worse than all, those whose labor is now misapplied and wasted through the general antagonism and conflict of interests. Let any thinking person take passage, for example, upon a steanboat, and find himself plied by a dozen or twenty newsboys, each urging him to the purchase of the same newspapers; let him reflect that all the passengers present might have been as well served by one boy, and that this waste of human exertion is merely one sample out of thousands of a general or pervading system of the bestowment of labor to no useful purpose.

172. Again, the possession of wealth is only one means of refinement, or rather of the true development of the human being. Labor in itself is just as essential to that development as wealth. Labor without wealth, as its legitimate end and consequence, terminates in coarseness, vulgarity, and degradation. Wealth without labor, as the legitimate necessity and condition of its attainment, ends, on the other hand, in luxuriousness and effeminacy. The first is the condition of the ever-toiling and poverty-stricken masses in our actual civilization; the last is the hardly more fortunate condition of the rich. Labor is first degraded by being deprived of its reward, and, being degraded, the wealthy, who are enabled by their riches to avoid it, are repelled, even when their tastes would incline them to its performance. The rich suffer, therefore, from *ennui*, gout, and dyspepsia, while the poor suffer from fatigue, deformity, and starvation. The refinement toward which wealth conduces in existing society is not, then, genuine development. The dandy is no more refined, in any commendable sense of the term, than the boor. Wealth may coexist with inbred and excessive vulgarity. The fact is patent to all, but the proof of it could nowhere be more obvious than in the very objection I am answering. The absence of true refinement and gentility is in no manner so completely demonstrated as by selfish and wanton encroachments upon the rights of

others, and no encroachment can be conceived more selfish and wanton than that of demanding that others shall work without compensation to maintain our gentility.

173. Refinement sits most gracefully upon those who have the most thorough physical development and training. The highest exhibit of the real gentleman can no more be produced without labor than that of the scholar without study. There is no more a royal road to true refinement than there is to mathematics. The experiment has been tried in either case a thousand times, of jumping the primary and intermediate steps, and the product has been in one event the fop, and in the other the pedant.

Refinement is, so to speak, a luxury to be indulged in after the necessities of life are provided. Those necessities consist of stamina of body and mind, which are only wrought out of mental and corporeal exercise. Mere refinement sought from the beginning, with no admixture of hardship, emasculates the man, and ends disastrously for the individual and the race. It is indispensable, therefore, to the true education and integral development of both the individual and the race that every person shall take upon himself or herself a due proportion of the common burden of mankind. If it were possible for any one individual to labor, for his whole life, at pursuits which were purely attractive and delightful, it is questionable whether even that would not mollify his character to the point of effeminacy,—whether absolute difficulties and repugnances to be overcome are not essential to a right education of a human being in every condition of his existence. The Cost Principle forces a compliance with what philosophy thus demonstrates to be the unavoidable condition of human development and genuine refinement. It removes the possibility of one person's living in indolence off the exertions of others. It administers labor as the inevitable prior condition of indulging in refinement, for which it furnishes the means and prepares the way. This objection, drawn from the consequences of the principle upon the well-being of society, is therefore destitute of validity. The balance of advantage predominates immensely in the opposite scale. The result which the principle works out is the elevation and genuine refinement of the whole race, instead of brutifying the vast majority of mankind and emasculating the rest.

174. The second objection is that this method of remuneration depresses the condition of genius, and affords no means of obtaining a livelihood, and of making accumulations, to those who pursue purely attractive occupations. (99.)

This objection is, in part, answered in the same manner as the preceding. Genius, as well as refinement, has its basis in healthful physical conditions, such as result from a due amount of labor and struggle with mental and corporeal difficulties. Complete relief from all necessity for exertion is by no means a favorable state for the development of genius, or its maintenance in activity. The poet who works three hours a day at some occupation which is actual work will be a

better poet than the same man if he should devote himself exclusively to his favorite literary pursuit. With the knowledge of physiological laws now prevalent, it cannot be necessary to enlarge upon a statement so well authenticated, both by science and experience. Less than that amount of labor, in true industrial relations, will furnish the means of existence and comfort. Hence, under the operation of these principles, genius has its own destiny in its own hands.

175. The man of genius who should devote himself exclusively, except so far as he must labor to provide himself the means of living, to that which to him was purely attractive and delightful, would of course not accumulate, *as the price of his exertions*, that kind of reward which appropriately belongs to exertions of a different kind,—namely, to such as tend directly to the production of wealth. If he seeks his own gratification solely in this pursuit, he finds his reward in the pursuit itself. Probably, however, there is no species of occupation which, when continuously followed, is purely delightful. If the artist disposes of the products of his genius at all, he is entitled to demand a price for them according to the degree of cost or sacrifice they have occasioned him,—less in proportion to the degree to which he has pursued the occupation from pure delight. The correctness of this principle is now tacitly admitted in the case of the amateur, who does not charge for his works, because he performed them for his own gratification. So soon, however, as the artist, in any department of art, becomes professional, and exercises his profession for the pleasure and gratification of the public, he is forced to subordinate his own gratification, more or less, to that of those whom he attempts to propitiate, which, with the temperament usually belonging to that class of persons, is extremely irksome. In proportion to this irksomeness comes an augmentation of price. To be obliged to perform at stated times, to conform his own tastes to the demands of his employers or patrons, and the like,—all the sacrifice thus imposed enters legitimately into the estimate of price. It may be, therefore, that art pursued as a profession may be as lucrative, in a mere commercial point of view, as any other pursuit.

176. Ordinarily, however, there is a repugnance with the genuine artist to pursuing art as a profession at all. He desires ardently to pay his devotions at the shrine of his favorite divinity solely for her own sake. He feels that there is something like degradation in intermingling with his worship any mercenary motive whatever. For the gratification of this refined sentiment, how superior would his condition be, if, by expending a few hours of his time at some productive industry, which the arrangements of society placed always at his disposal, he could procure an assured subsistence, and that grade of comfort and elegance to which his tastes might incline him! There can be nothing in the vagrant and precarious condition of the devotees of art, in our existing society, to be viewed as a model, which it would be dangerous to deviate from.

177. The objection which we are now considering has been, however, already

answered in a manner more satisfactory, perhaps, to those whose aspirations for the artist are more luxurious, in the chapter on Natural Wealth, under which head talent, natural skill, or genius is included. (87.) It was there shown that the subject treated of in this whole work is merely *price*, in its rigid sense as a remuneration for burden assumed, the only remuneration which the performer of any labor can with propriety demand; but it is not for that reason the only remuneration which he may with propriety receive, if more is rendered as a free tribute for pleasure conferred, of which the party served must be the sole judge. (93.) Hence, as the business of the artist and the genius is to confer the purer and more elevated kinds of pleasure, the whole field is open to him to compel by pure attraction as liberal a tribute as he may, provided always no other force is employed. The point of honor would concur with equity in limiting him in his demand to the mere amount of burden assumed, as if he were the most menial laborer,—an amount which delicacy and politeness toward those whom he served would lead him rather to under than over estimate. On the other hand, the same point of honor would leave to them the estimate of the pleasure conferred, while delicacy and politeness on their part would in turn prompt them to magnify rather than diminish the obligation, and bespeak from them an appreciative and indulgent spirit. In this manner the intercourse of the artist, the genius, the discoverer, or other supereminent public benefactor with the public would be raised to a natural and refined interchange of courtesies, instead of a disgraceful scramble about priority of rights, or the price of tickets.

178. In like manner there is nothing in the Cost Principle to prevent the most liberal contributions, on all hands, toward aiding inventors in carrying on their experiments before success has crowned their exertions, and the most liberal testimonials of the public appreciation of those exertions after success is achieved.

179. The third objection to the Cost Principle, drawn from its consequences upon the interests and conditions of society, is that it does not provide for the performance of every useful function in the community. More specifically stated, the objection is this: Labor is paid according to its repugnance; there are some kinds of labor which are not repugnant at all, but which, on the other hand, are purely pleasurable, and which consequently would bear no price, or receive no remuneration; but the performance of these kinds of labor is necessary to the well-being of society, and, in order that they be performed, those who perform them must be sustained; consequently they must have a price for their labor. The Cost Principle denies a price, therefore, at the same time that the well-being of society demands one.

180. This objection assumes that the labor in question will not be performed unless it bears a price, while it assumes at the same time that it is a pure pleasure to perform it. It assigns as the reason why it will not be performed, that the laborers performing it must be maintained while engaged in its performance. To

assume this is in effect to assume that in the state of society which will result from these principles people will not have leisure to pursue their pleasure for pleasure's sake, and that they will be obliged to devote the whole of their time to occupations going toward furnishing them the means of subsistence. This is again assuming too much. Such assumptions are based upon the existing state of things, and not upon any such as could exist under the reign of Universal Equity. The very end and purpose of all radical social reform is a state of society which shall relieve every individual from subjugation to the necessity of continuous and repugnant labor, and furnish him the leisure and ability to pursue his own pleasurable occupations at his own option. It is claimed for the Cost Principle that, taken in conjunction with the doctrine of Individuality and the Sovereignty of the Individual, it works out a state of society in which that leisure and ability would exist. The real question, then, is whether it does so or not. If it does, then the objection falls. It is answered by the statements that all purely pleasurable occupations will be filled by such persons as have leisure, or by all persons at such times as they have leisure. Being pleasurable, they require no inducement in the form of price. Whether the operation of the Cost Principle is adequate to the production of general wealth, and the consequent prevalence of leisure and freedom of choice in regard to occupation, depends upon the correctness of the whole train of propositions which have been, and which are to be made upon the subject.

181. The next objection drawn from the operation of the Cost Principle is that it makes no provision for the maintenance of the poor and the unfortunate,—that, although it secures exact justice, it has in it no provisions for benevolence.

It has been shown that, in order that benevolence be rightly appreciated and accepted as such, and beget benevolence in turn, it is essential that equity should first have been done. Mutual benevolence can only exist after all the requirements of equity have been complied with, and that can only be by first knowing what the requirements of equity really are; where, in other words, the relations of equity or justice cease, and those of benevolence begin.

182. It is the essential element of benevolence that it be perfectly voluntary. If it is exercised in obedience to a demand, it is no longer benevolence. Apply these principles to the question of public or private charity. If justice were done to all classes and all individuals in society; if, in other words, the whole products of the labor of each were secured to him for his own enjoyment,—the occasion for charity, as it is now administered, would be almost wholly removed. Pauperism, in any broad sense, would be extinguished. Poverty would, so to speak, be abolished, except in the very rare instances of absolute disability, from disease or accident overtaking persons for whom no prior provision had been made either by their own accumulations or those of their ancestors or deceased friends. Pauperism, with such rare exceptions, is purely the growth of the existing system of commercial exchanges, tending continually, as has been shown, to make the rich richer and the poor poorer.

183. With regard, then, to the few cases of disability, coupled with destitution, which may always continue to occur, it is obvious that that principle of science which intervenes to regulate the equitable exchange of products has no application whatever where there are no products to exchange. Equity is then out of the question. Equivalents cannot be rendered because there is nothing on the one side to render. Benevolence comes then fairly in play. In the same manner as the sentiment of justice is offended by the pretence of giving as charity what is felt to be due as a right, so, on the other hand, the sentiment of benevolence is offended by a claim as a matter of right to that which should be voluntarily bestowed, if at all. I have observed elsewhere that Rowland Hill would never have received the magnificent testimonial bestowed upon him by the English people, if he had seen fit to prefer a claim to it as the price of his services. Benevolence is conciliated, therefore, the moment that all claim is abandoned, and claims having no basis in right are abandoned immediately whenever there is an exact knowledge of the limits of equity. In this manner the Cost Principle, while it does not profess to be benevolent, serves, nevertheless, as an inspirer and regulator of benevolence itself. While justice is not benevolence, therefore, the foundations of benevolence are still laid in justice.

184. In a condition of society, then, in which Equity shall first have been secured to all, benevolence, whenever the occasion shall arise, will flow forth from every heart with unmeasured abundance. The disabled and unfortunate will be the pets and spoiled children of the community. It is a mistake in the philosophy of mind to suppose that there is naturally any sense of degradation from being the object of real charity. There never is any repugnance on the part of any one to being the recipient of genuine benevolence. The tenant of the poor-house in our pauper-ridden civilization is degraded and made sensible of his degradation by the malevolence, never by the benevolent sentiment, of society toward him. He is first hated because injustice has been done him, and then hated because he is a burden to society.

185. This is the true solution of the question of charity. So long as persons exist who are unable to support themselves from the products of their own labor, they must be maintained by the labor of other persons, without rendering any equivalent, and to be so maintained is to depend upon charity. There is no escaping from this necessity. Partnership or associative arrangements, or the theory of Communism, may disguise the fact, but the fact continues to exist, nevertheless. The remedy for the disagreeable features of charity is not to be sought by the impossible means of removing the fact, but by improving the general condition of society to the point where the demands for charity shall be so rare, and the general abundance of means so great, that there will be strife for the enjoyment of opportunities to gratify the benevolent sentiment. The relation of donor and beneficiary will then be alike agreeable and honorable to both. There is nothing,

however, in the Cost Principle to prevent, but every thing to encourage and require, the extension of the principle of insurance to every thing to which it is applicable. Risk enters into cost, and the calculations of risk, as in the case of tables of longevity and the like, reduce that element to measurement, and render it as easy of calculation as any other element. Hence, parties who earn a surplus at any period of their lives can always insure permanent provision for the future. With reference to the very small number of those who, from the causes mentioned, may never be able to do that, the observations made above hold good. They must be the objects of the benevolent regards of the community, and not rely upon any law regulating equivalents of which they have none to give. Benevolence, being purely voluntary and illimitable, cannot be measured nor prescribed for. Any attempt to organize it, or dictate its action, is, therefore, as much out of place as it would be to regulate politeness by legislation. First do justice and extinguish the pauperism, crime, and disease which grow out of relations of injustice, and cease to fear that the spontaneous benevolence of humanity will not be amply adequate to provide for the sparsedly scattered instances of misfortune which may ever remain as an incentive to the healthy action of that affection.

186. There is a subtle objection sometimes urged against the whole doctrine of attractive industry, or, in other words, against the propriety of every individual being employed in that way in which his tastes incline him to act, and for which his natural gifts particularly qualify him. It is said that genius or superior natural endowment in any direction is always, in some sense, a diseased or abnormal condition of the man; that the true type of humanity is the exact equilibrium of all the faculties, and a consequent equal capacity for every species of performance; that the exercise of any faculty augments its power, and hence that, if those faculties which are in excess are chiefly exercised, the deflection from the true direction of integral individual development is continually rendered greater and greater. Hence the curious result, in reasoning, is arrived at that every individual should be constantly or chiefly engaged at those occupations for which he has *least* natural endowment, and which are least agreeable, or, in other words, the most repugnant, to him.

187. This is an extreme and erroneous presentation of a principle of psychology and physiology; but, having a coloring of truth, it requires to be carefully considered and distinguished. The assumption here made is that there is *one* given standard of perfection for universal manhood, which is the exact equilibrium of all the faculties. It is obvious that, according to this theory, the perfection of the race would be the reduction of all men to the common standard, until every individual would be merely the monotonous repetition of every other. It is not so clear, under this hypothesis, why the Almighty should not have created one big man instead of so many little ones. Since economy of means is one of His striking characteristics, as exhibited everywhere in nature, the probabilities would cer-

tainly be in favor of such a policy. Slight reflection, however, will show that this "Simplistic Unity" is no part of the scheme of creation. "Universal Variety in Unity" is the law of the universe. The theoretical perfection of an exact equilibrium of faculties has no example in nature. It is an ideal point around which all individual organizations rotate in orbits more or less eccentric, all of them, however, when not arbitrarily interfered with, unapproachably distinct from every other, and hence positively incapable of collision. Individuality is infinite and universal. It cannot be extinguished, and, if it could, the result would be to reduce the universe to zero.

188. On the other hand it is undoubtedly true that, where some single faculty shows itself in any extraordinary degree of activity and power, there is a certain derangement of the whole system, growing out of, or conducing to, what may be regarded as disease. Genius verges upon insanity. Too great a departure from the ideal equilibrium of powers is unwholesome and dangerous to the physical, intellectual, and moral nature. Hence the arbitrary and infinitesimal division of labor without variety, of which our existing civilization boasts, is a wretched perversion of the powers of the individual. It pushes out and develops some one faculty to the neglect and destruction of all others, sinking the manhood of the man in the skill of the artisan. Every other faculty is suffered to wither and die. The individual, instead of being integrally developed, is distorted. Men and women are sacrificed and subordinated by this means to Skill, as they are through Political Economy to Wealth, through political organizations to Government, and through the church to ritual observances. Thus Utility, Enjoyment, Social Order, and Religion are overlaid and smothered by the very arrangements which are instituted professedly to secure those ends. A person who has been forced into the performance of some one function only during life is necessarily the helpless plaything of circumstances. He is rendered wholly imbecile for all else. All the higher purposes of his being are defeated by an insane and incessant devotion to some isolated fag-end of human affairs.

189. Hence it follows that true development is not to be found in either extreme. *In medio tutissimus ibis.* That man may be said to be best educated who has a general acquaintance with the largest scope of subjects, coupled with a particular and specific knowledge of some one, two, three, or more pursuits to which he chiefly dedicates his labors. In the beginning of a reform movement, while the circle is small, the most useful men of all are those who are spoken of disparagingly, in existing society, as "Jacks-at-all-trades,"—those who can turn themselves the most readily from one occupation to another. In this respect the American character is superior to that of all other people. The largest development of the Individual tends in that direction. With the increase of the circle, and greater general security of condition, a more exclusive or one-sided class of talent will find its position, and a greater perfection of details—a higher composite perfection of

Society — will then be achieved. The highest development of society demands the existence and coöperation of both classes. The true equilibrium is that the versatile man shall not go to the extreme of having neither preferences nor excellences in his performance, nor the devotee to a particular function to that of having no tastes or qualifications for any other. The point now to be observed is that Nature rarely, if ever, pushes things to either one or the other of these extremes. There is no man who is by nature totally indifferent as to what he will do, nor any so born to a single attraction that he never develops tastes for any other, while some have greater diversity, and some greater particularity of tastes, by natural organization. Hence all that is necessary in order to secure the right distribution of functions is that Nature be left wholly unembarrassed, — that no individual be driven or induced by the arrangements of society, such as inordinate profits, disproportionate honors, or poverty, into, or detained in, occupations discordant with his individual preferences or desires, on the one hand, and that those natural preferences or desires be not overstimulated by the same or a different class of influences, on the other. To secure that condition of things *there must be an equilibrium between attractions and rewards*. This is precisely what is effected by the adoption of cost as the limit of price. The greater the attraction for a particular occupation the less the price; consequently, while it is placed within the power of every one to follow his attractions so far as he may choose to do so at his own cost, — that is, by sacrificing the larger gains of more repugnant industry, — still, on the other hand, he is constantly appealed to by his cupidity, — that is, by another class of wants, — to compete with others in various kinds of labor more burdensome to him, and thereby to develop and keep in healthy exercise those faculties with which he is less liberally endowed by nature.

190. Again, if any individual is imbued with the theory that to indulge in the exercise of his best developed faculties is injurious to his health, moral attributes, or reasoning powers, by throwing him out of the ideal perfection of his nature, then that supposed injury to his nature becomes immediately, with him, an item of cost, raises the price of his labor in that function, throws him out of it by the competition of others having similar abilities with a different appreciation of the wear and tear of employing them, and places him in the performance of something which will call into play those faculties which he deems deficient and wishes to cultivate. The principle is adequate, therefore, to every emergency. But as we have seen already that the theory itself is only rational as a protest against an extreme use of the superior faculties, there is no doubt that the balance of natural attractions will, in the great majority of cases, determine the general direction of industry, and the more so as the increased abundance of wealth renders price a less important consideration. The true equilibrium will then be preserved, however, by an augmented scope of attractions, which we have seen is the type of individual development. That the conditions of attractive industry are supplied by the Cost

Principle will be more fully shown in the following chapter, in which results will be partially sketched which are more directly in harmony with the flattering anticipations of those reformers who are most advanced, ideally.

## CHAPTER VI.

## ATTRACTIVE INDUSTRY, CO-OPERATION, AND THE ECONOMIES.

191. We have now arrived at a point from which we are prepared to discover and appreciate the higher results of the Cost Principle. The view, however, which I shall but slightly open, of the grand and enchanting prospects foreshadowed for the race by so simple a means as the mere enactment of justice in the daily transactions of man with man will be left intentionally incomplete. The mass of mankind have but little toleration for Utopias. Those who are ready to believe in them, and who simply demand, as the basis of their faith, a more solid foundation than airy fancies, will trace, it is hoped, for themselves, the outlines of the future, upon slight hints drawn from the more obvious operations of fundamental principles. Those who are still more credulous will feel still less need for elaborate demonstrations. The great mass of those who have some aspirations after reform have no ideal beyond the first stage of the results of true principles. Their present conception will be filled by relations of justice,—the extinction of crime, frauds, pauperism, and the generally discordant features of our existing social arrangements. They have little thought of the positive construction of harmonic society. There is danger that such persons would be repelled, rather than attracted, by any high-wrought pictures of the future. They can best be left to work out a higher conception by their own intuitions and reflections while laboring for the realization of what they now perceive. There are others, especially among the admirers of Robert Owen, Saint Simon, and Fourier, whose mental vision is accustomed to the contemplation of brilliant pictures, and who will be not unlikely to complain of the Science of Society, as here presented, on the ground that it does not begin by dealing with palatial structures, magnificent ornamental grounds, operatic performances, sculpture, and abundant luxury of all sorts. To those among this latter class who trace effects back to their causes, and causes forward to their effects, who can listen with pleasure to the dry preliminary details of rigid science, the Cost Principle will, on examination, become a mine rich in treasures of the kind they are seeking. They will discover that by means of it we are planting the roots from which will inevitably grow all the higher harmonic results in society which they have ever contemplated. They will perceive that true society is a *growth* from true principles, not an artificial *formation*,—a growth from seeds implanted in the soil of such society as now exists,—the only soil we have. They will perceive that while their ends and purposes are true, and their aspirations prophetic, their

methods have not been scientific; and such, perhaps few in number, will return with renewed zeal to the work of reform, through the more modest and unpretending instrumentalities of the *Labor Note* and the formation of *Equitable Villages*. Others, who have been too long dazzled by the splendor of that brilliant future in which they make their ideal habitation to be able to look with complacency upon any practical adaptation to the present wants of mankind, must bide their time.

192. My present labor is to commend the Cost Principle, as far as practicable, to each of these several classes without offending the prejudices of any. I shall therefore, as I have intimated, sketch merely in outline the tendencies of this principle to accomplish, in social relations, the highest results that have ever been dreamed of by any class of reformers, leaving at the same time intact, at every stage of progress, the freedom of the Individual. It is not those ulterior results with which the reformers of this day will have chiefly to employ themselves. Those who require to perceive them to find in the principles a sufficient stimulus to work for their realization, and with whom the beatific vision would serve rather as a stimulant than as a sedative, will be precisely those who can fill up the picture without foreign aid.

193. The principal among the higher results growing directly out of the operations of the Cost Principle may be generalized under the heads of: 1. Attractive Industry. 2. Coöperation instead of Antagonism, and 3. The Economies of Co-operation and the Large Scale.

194. The main features of Attractive Industry are, as already shown, that each individual have, at all times, the choice of his own pursuits, with the opportunity to vary them *ad libitum*. This last, the opportunity to vary one's industry, results from the fact that all avenues are equally open to all by the extinction of speculation, and the adoption of cost as the limit of price, whereby it becomes the interest of all that each should perfect himself in various occupations, thereby discovering those at which he can be most effective, and avoiding the liability to be employed at those for which he has no attraction or capacity. The freedom to vary involves the original freedom to choose, which stands upon the same basis. The variety of individual taste leads to a continual deviation on the part of single individuals from the common standards of estimate, according to which every article tends constantly to acquire, under the operation of the Cost Principle, a settled and determinate price. The ideas here suggested require, however, to be separately and more specifically considered.

195. How is there any equality established in the price asked by different people for the same kind of labor, when the price is based upon the estimate which each one makes of the repugnance of that labor to himself or herself personally, — when, too, it is well known that there exists such variety of tastes, or attractions and repulsions in different individuals for various kinds of industry?

The answer is first practical, as follows: During the three years and upward of

practice at TRIALVILLE, and during two previous experiments, one at Cincinnati, and one at New Harmony, Indiana, extending to six or seven years of the practice of the *Cost Principle*, and of the use of the *Labor Note* in connection with it, by several thousand people in all, the variation in all the different species of male and female industry has not been more than about one third above and one third below the standard occupation of corn-raising, each person putting his or her own estimate upon their labor. To explain: The standard labor being reckoned at twenty pounds of corn to the hour, as the yard-stick, or measure of comparison, no other labor performed either by man or woman—and it must be remembered that under the *Cost Principle* men and women are remunerated equally—has been estimated at more than thirty pounds of corn to the hour, nor at less than twelve pounds to the hour.

196. The further practical result is that every ordinary commodity, though liable to fluctuate in price with every change of circumstances, like a difference of locality, extraordinary difference in the productiveness of different seasons, etc., soon finds a general level, and has a known or fixed price in the community, which is never disturbed except for some obvious cause. Thus, for example, wheat has in this manner settled down by the common suffrage at TRIALVILLE to cost six hours of labor to the bushel, or to yield ten pounds to the hour. Milk is ten minutes labor to the quart,—the elements of the calculation including the whole cost of rearing a cow from the calf, the average length of a cow's usefulness for milking purposes, the cost of feeding, milking, and distributing the milk to the customers, etc. Eggs are twenty minutes to the dozen. Potatoes are an hour and a quarter to the bushel when cultivated by the plough exclusively, and three or four hours to the bushel when cultivated by the hoe. The manufacture of shoes, apart from the material, is from three hours to nine hours to the pair, according to the quality; boots eighteen hours, etc.

197. Another practical effect, as already observed, is that the principle of exact equity, when it enters into the mind, operates with such force that persons on all hands become over-anxious to ascertain the precise truth with regard to the relative cost of every article, while the general improvement of condition renders them less anxious about trifling individual advantage.

198. Although commodities thus settle naturally and rapidly to a standard price according to what is the *average* time bestowed upon their production, and the average estimate of the relative repugnance of each kind of labor,—in other words, the average of cost,—there are, or may be, individual differences in the estimate of repugnance, which will rise far above or sink below the average. These individualities of preference for one species of industry over another will probably become more marked in proportion as men and women can better afford to indulge their tastes and preferences, in consequence of a general improvement of their pecuniary condition. Again, those tastes themselves will become more

developed with the increase of culture. The opportunity for their indulgence will be afforded also in proportion to the augmentation of the circle in which these principles are practised. Hence it follows that whatever is more exceptional or recondite in the subject must as yet be settled by recurring to the principles themselves, the circle in which they have hitherto been applied being too small to realize all the results.

199. The theoretical answer, then, deduced from the principle, in addition to the practical answer just given, is this: Whenever an individual estimates labor in any particular branch of industry as *less* onerous or repugnant than the standard or average estimate, he will present himself as a candidate for that kind of labor at a *less price per hour* than others, and will, in consequence, be selected in *preference to others*, unless the inferior price is more than counterbalanced by want of skill or capacity for that kind of labor. But preference for a particular kind of industry—especially when there are facilities for trying one's self at various kinds—generally *accompanies* and often *results from* superior skill or facility in the performance of that kind of labor. Hence a taste or "attraction" for a particular branch of industry, by lowering the price at which a person is ready to undertake it, tends to throw that branch of industry, or rather that particular labor, into the hands of the individual who has that attraction.

200. In the next place, as these two properties—namely, a marked attraction and eminent ability for a particular kind of labor—accompany each other, it follows that the best talent is procured at the lowest instead of the highest price, apart from the case of an acquired skill, which has required a separate and unproductive labor for its acquisition, and which is, therefore, as we have seen, an element of *cost and price*. In other words, contrary to what is now the case, the man or woman who can do the *most work* of any given kind *in a given time* and *do it best*, will work at the *cheapest rate*, so that, both on account of *the more and better work* and of the *less price*, he or she will have the advantage in bidding for his or her favorite occupation, *competition* intervening to bring down the average of price to the lowest point for every article, *but with none but beneficial results to any one*, as will be presently more distinctly shown. (208.)

201. Such are the necessary workings of the COST PRINCIPLE, and hence follow certain extremely important results. I. *Herein is the chief element of "Attractive Industry,"* the grand *desideratum* of human conditions, first distinctly propounded by Fourier, and now extensively appreciated by reformers,—the choice by each individual of his own function or occupation, according to his natural bias or genius, and the consequent employment of all human powers to the best advantage of all.

202. II. *By this means competition is directed to, and made to work at, precisely the right point.* Competition is spoken of by those who live in and breathe the atmosphere of the existing social order, as "the life of business,"—the grand stimulant,

without which the world would sink into stagnation. It is spoken of, on the other hand, by the reformers of the Socialist school, who loathe the existing order, and long earnestly for the reign of harmony in human relations, as a cruel and monstrous principle, kept in operation only at the sacrifice of the blood and tears of the groaning millions of mankind. In point of fact it is both; or, more properly, it is either one or the other, according to the direction in which it is allowed to operate. Competition is a motive power, like steam or electricity, and is either destructive or genial, according to its application. In the existing social order it is chiefly destructive, because it operates upon the point of *insuring security of condition*, or the means of existence. It is, therefore, desperate, unrelenting, and consequently destructive. Under the reign of equity it will operate at the point of *superiority of performance* in the respective functions of each member of society, and will, therefore, be purely beneficent in its results. In the scramble between wrecked and struggling seafarers for places in the life-boat, we have an illustration of *competition for security of condition*. In the generous emulation between those safely seated in a pleasure-boat, who think themselves most competent to pull at the oar, you have an illustration of genial or beneficent competition—competition for *superiority of performance*—under such circumstances that, whoever carries off the palm, the interests of the whole are equally promoted. In either case it is the same motive power, the same energy-giving principle, working merely at a different point, or with a different application, and with a different stimulus. (159.)

203. Competition in the existing social order is, therefore, chiefly *destructive*, because there is now no security of condition for any class of society. Among the less fortunate classes, competition bears more upon the point of getting the chance to labor at all, at any occupation, which, inequitably paid, as the labor of those classes is, will afford the bare means of existence. Among the more fortunate classes, *increased accumulation* is the only means now known of approximating *security of condition*; hence competition bears upon that point. Among all classes, therefore, the competition is chiefly for security of condition, and therefore merciless and destructive. It is only occasionally and by way of exception, wherever a little temporary security is obtained, that examples are found of the natural and beneficent competition for *superiority of performance*. That however springs up with such spontaneous alacrity, so soon as the smallest chance is given it, as abundantly to prove that it is the true spirit, the indigenous growth of the human soul, when uncontrolled by adverse circumstances and conditions.

204. Under the operations of the COST PRINCIPLE, which will be the reign of equity, the primary wants of each will be supplied by the employment of a very small portion of their time, and the ease and certainty with which they can be supplied will place each above the motives now existing to invade the property of others. This condition of things, together with the substitution of general co-

operation and abundance for general antagonism and poverty, will furnish a *security of person and property* which nothing else can produce. To this will be added such accumulations as each may, without the stimulus of desperation, choose to acquire.

205. *In this condition of security*, natural and beneficent competition will spring up; that is, such as bears upon the point of *superiority of performance*,—not only for such reasons as exist and occasionally develop themselves in the existing society, but also because, under the operation of the COST PRINCIPLE, every person is, as we have seen, necessarily gratified with the pursuit of his favorite occupation, in proportion as his superiority of performance renders him the more successful competitor for employment in that line,—not hindered by asking a higher price for his greater excellence, as now, but aided, on the other hand, by his readiness to perform it at a lower price, consequent upon his greater attraction or his want of repugnance for that kind of industry, according to what has been already explained. This, then, is the second grand result of the varying tastes for different occupations, under the operation of the COST PRINCIPLE,—namely, that competition is directed to, and made to work at, the right point,—*superiority of performance*, not *security of condition*.

206. Under the operation of cost as the limit of price, things will be so completely revolutionized that, strange as it may seem, *it will be to the positive interest of every workman to be thrown out of his own business by the competition of any one who can do the same labor better and cheaper*. In the nature of the case it is an advantage for every body that the prices of every product should become less and less, until, if that be possible, they cease, through the general abundance, to have price altogether. Under the present false arrangements of commerce we have seen that it is not for the benefit, but for the injury of many, that such reduction of price should occur, either through competition, the invention of new machines, or otherwise. (160.) Some of the reasons of that unnatural result have been pointed out. (161, 162.) It is, in fine, because the workingmen are reduced below the ability of availing themselves of what should be, in the nature of things, a blessing to all mankind. When the market is said to be overstocked with coats or hats and when, as a consequence of this, the tailors and hatters are thrown out of employment, it is not the fact that there are more coats and hats made than there are backs and heads to wear them. Not at all. It is only that there are more than there is ability to buy. Those who have *earned* the means to pay for them do not *possess* the means. They have been robbed of the means by receiving less than equivalents for their labor. Hence, though they *want*, they cannot *buy*, and hence, again, those who produce must stop producing. They are therefore thrown out of employment, and it is falsely said that there is over-production in that branch of industry. In the reign of equity, where all receive equivalents for their labor, this cause of what is called over-production will not exist.

207. The point here asserted will be rendered still more clear under the following head. (208.) Along with the extinction of speculation, by Cost as the limit of Price, competition will cease to be a desperate game played for desperate stakes. It will not relate to procuring the opportunity to labor, as that will be the common and assured inheritance of all. It will not relate to securing an augmentation of Price, because Price will be adjusted by Science and guarded by Good Morals, public opinion and private interest concurring to keep it at what science awards. It will relate solely, in fine, to excellence of performance,—to the giving to each individual of that position in life to which his tastes incline him, and for which his powers of mind and body adapt him, even the selfishness that might otherwise embitter such a strife being tempered, or neutralized, by the equilibrium of a greater price for more repugnant labor.

208. III. *Competition is rendered coöperative instead of antagonistic.* This may not at first seem to be a distinct point, but it is really so. It was shown before that competition is made to work at the right point,—namely, excellence of performance. But that excellence or superiority might still enure exclusively or chiefly to the benefit of the individual who possesses it. Such is now the case, to a fearful extent, with machinery, which has the first of these properties,—namely, that it competes with labor at the right point, excellence of performance,—but has not the second; that is, it is not coöperative with unaided human labor, but antagonistic to it, turning out thousands of laborers to starve, *on account of its own superiority.*

The point to be shown now is, that under the operation of the COST PRINCIPLE, excellence of performance—the point competed for, whether by individuals or machinery—enures equally to the benefit of all, and hence that competition, rightly directed, and working under the true law of price, is coöperative and not antagonistic; although, as respects machinery, the demonstration will be rendered more perfect when we come to consider *the legitimate use of capital.* (243.)

209. Illustrations of practical operation will be better understood if drawn from the affairs of the small village than if taken from the more extended and complex business of the large town.

Suppose, then, that in such a village A is an extraordinary adept with the axe. He can chop three cords of wood a day. C and D are the next in facility at this labor to A, and can chop two cords and a half a day. Now, under the operation of this principle, as showed previously, if they are employed at all in chopping, they will all be paid at the same rate per hour. If there *is* any difference, it will *probably* be that A, along with this superior ability, will have an extraordinary fondness for the kind of labor as compared with other kinds, or, what is the same thing, he will have less repugnance for it, and that he will, if thoroughly imbued with the principle, place his labor at a less price than the established average price for wood-chopping. The consequence will be that the services of A will be first

called into requisition for all the wood-chopping in the village, so long as there is not more than he can or is willing to do. It will only be when the quantity of labor is greater than he can or will perform that the services of C and D will be required, then those of the next grade of capacity, and so on. The point now to be illustrated is that it is the whole village that is benefited by the superior excellence of A, and then of B and C, etc., in this business, and not those individuals alone. While A can chop all the wood for the village, the price of wood-chopping is less, or, in other words, wood-chopping is cheaper to the whole village than it is when the inferior grades of talent have to be brought in; because he does more work in the hour, and is paid no more in any event, and perhaps less for it. Consequently, again, the cost, and hence the price of cooking, and hence again of board, is all less to every consumer. So of heating rooms. So of the blacksmith's work, the shoemaker's work, and, in fine, of every article of consumption produced in the village; because the manufacturers of all these articles, while engaged in the manufacture, consume wood, which wood has to be chopped, and the cost of which enters into the cost of their products; and inasmuch as these products are again sold at cost, it follows that the price of every article manufactured and consumed is reduced by the superior excellence of A as a wood-chopper. In this general advantage A is merely a common participant with the other inhabitants; but then, in turn, the same principle is operating to place each of those others in that occupation in which he excels, and their excellence in each of these occupations, respectively, is operating in the same manner to reduce the price of every other article which A, as well as others, has to purchase. Hence it follows that the very competition which crowds a man out of one occupation and fills it with another, on account of his superior performance, turns just as much to the benefit of the man who is put out of his place, as it does to that of the man who is installed in it, all avenues being open to him to enter other pursuits, and there being labor enough at some pursuit for all. Hence it follows that under the operation of the COST PRINCIPLE competition is rendered coöperative, and that coöperation becomes universal instead of the now prevailing antagonism of interests.

210. Let us take an additional illustration. In wood-chopping the chief point of superiority is in the rapidity of performance. In other occupations it is different. Take the case of a clerk or copyist. Here there are three or four points of excellence,—speed, elegance, legibility, and accuracy. All this does not in the least affect the principle. The competition may be for the combination of the greatest excellence in each of these properties, or it may be, in case there is enough of the business to divide itself into branches, for the particular kind of excellence which is wanted in the particular branch. There is some copying in which speed is of far more importance than elegance, and *vice versa*. It is still, in the same manner, to the mutual advantage of all that those persons shall be employed in writing, and in each branch of writing, who are most expert in it, be-

cause that reduces to everybody the price of making out titles to property, keeping records, and the like, and, as these expenses enter again into the *cost*, and consequently into the *price* of houses and rent, they enter again into the price of board, and so of every article, rendering the competition again *coöperative* and not antagonistic.

211. It has now, I think, been sufficiently shown that competition, under this system of principles, is really coöperative, and therefore purely beneficent, provided the two conditions above-stated are sufficiently secured: first, *that the avenues be open to every individual to enter any pursuit according to his tastes without artificial obstacles*; and, secondly, *that there be at all times labor enough for all*.

Every body will, therefore, be naturally and continually aided, from the common interest, by every body around him, in placing himself in that position where he has most capacity to act, which, as has been stated, will, in the end, be that also, if he has the opportunity to try himself at different occupations, for which he will have the greatest fondness or appetency. The avenues to employment *must* therefore be all open to all persons. It will be as much to the interest of all that they should be so, as it is now their interest to prevent it. Now men wish to monopolize certain occupations which are profitable, because it is to their pecuniary advantage to do so. Then men can have no other motive for doing so than their preference for exercising these occupations themselves, which preference must be indulged, if indulged at all, by keeping out better qualified men, adversely to their own pecuniary interests and the interests of the whole community around them.

212. But when antagonistic competition is out of the way, similar industrial tastes form one of the strongest bonds of friendship. In a community constituted upon these principles, to keep any person out of his true industrial position, by conspiracy of any sort, would be both a dishonest and a dishonorable act. Hence it follows that pecuniary interest, natural sympathy with those of similar tastes, morality, and the sense of honor would all conspire to overcome any personal preference for a particular occupation such as would otherwise exclude better qualified men. This combination of motives will be sufficient to keep a fair and open field for the contest of merit in every department of industry. In the existing social disorder men are, for the most part, thrust by chance into the positions which they occupy and the pursuits which they follow. Nobody but the man himself feels the slightest interest in his being in that place in which he can make the best use of his powers. If his position happens to be a fortunate adaptation to his capacities, the gain is his own. It is monopolized by him through the operation of the value principle, or the benefit, if felt at all by the public, is so remotely felt that there is no general interest manifested in the matter, and it is accordingly left entirely to chance. Consequently, *men*, considered merely as *instruments of production*, are now employed as much at random as the implements of a farm would be, if a savage, smitten with a taste for agriculture, had installed himself

in the farm-house, and begun by using the harrow for a hetchel, the hand-saw for an axe, the sickle for a pruning-hook, the rake for a hoe, and so on. Hence, under the operation of the COST PRINCIPLE, the *superior excellence* of each individual in that occupation in which he excels secures his employment in it, both because that is the point upon which competition bears, and because the advantage of his being employed in it inures directly to the benefit of every member of society by lowering the price of the article which he produces, rendering every one anxious to see him so placed and ready to aid him by every means to place himself there.

213. It has been stated, and partially demonstrated, that the idea of the liability to an excess of human labor is on a par with the obsolete notion of an excess of blood in the human system. (161.) With the prevalence of a thorough and varied industrial education on the part of the whole people, such as is rendered possible by the Cost Principle, but the details of which do not belong to this volume; with the removal of all artificial obstacles to the free entrance by all upon all industrial pursuits; with adequate arrangements for knowing the wants of all, and for distributing the products of all, so as skilfully to subserve those wants through a scientific *adjustment of supply to demand*; with that complete removal of the hindrances to the free interchange of commodities now occasioned by the scarcity and expensiveness of the circulating medium, which will result from the Labor Note as a currency, converting all labor at once into cash, and the means of commanding the results of all other labor the world over,—with all these conditions, and various others of less moment, operated by these principles, the infinitely varying wants of humanity, perpetually expanding under culture, together with the tendency to rest and simply enjoy, on the part of those who can, fostered by conscious security of condition, may be implicitly relied upon to call into use every degree and quality of human labor which any body will be found willing to render, even down to the lowest grades of skill, notwithstanding the fact that those who thus come in as it were last will be best paid.

214. IV.—This brings us to the next point,—namely, *the Economies of Co-operation and of the Large Scale*. Of the first branch of this subject, the economies of coöperation, including attraction, it cannot be necessary that much should be said. Illustrations have already been given of the waste of human exertion consequent upon antagonism, and the want of adaptation between the man and his pursuit. (151, 212.) The genius of any reader is adequate to filling up the hideous catalogue of repletion. Equity destroys antagonism, and opens the way to the performance of every function in the most economical way.

215. The economy resulting upon the performance of labor upon the large instead of the small scale is well understood and highly appreciated in our present stage of civilization, just so far as the application of the principle chances to have been made. It is known, for example, that a thousand persons can be profitably transported at a trip, upon a magnificent steamboat, from New York to Albany, a

distance of one hundred and sixty miles, at fifty cents for each person, while to run the same boat, or any boat with like elegance and conveniences, ten miles, for the accommodation of one individual, would cost several hundred dollars. It is not yet generally understood that the same principle applied on land may, and will yet, house the whole population in palaces, and cause the masses of mankind to enjoy an immunity from want heretofore enjoyed by the privileged classes only. The glorious truth is not yet generally understood that every man, woman, and child may, by a scientific arrangement of the appliances for the production and distribution of wealth, be rendered infinitely richer than any, even the most privileged individual, is now. After having seen that lucifer matches can be manufactured and sold at a penny a bunch by carrying on the manufacture as a business upon the large scale, the absurdity would immediately appear—the waste of human exertion would be too obvious to escape attention—if every housekeeper in a large city were to rise each successive morning, go out and purchase a few splinters of pine, with a little pot of sulphur, and manufacture, by the expenditure of half an hour's time, from one to a half dozen matches with which to kindle her fire the following day. It is not so readily perceived, however, as it will be at a future day, that the absurdity is of the same sort when seventy-five thousand women are engaged daily, in the city of New York, and twice a day, in boiling three quarts of water each in a tea-kettle. The benefits of labor saving machinery are derived from the operation of this principle, the essential economy of the large scale. In the isolated household those benefits can never be applied to cooking, washing, ironing, house-cleaning, and the like. Hence, in the isolated household, the drudgery to which woman is now condemned can never be materially alleviated. The facility with which these tiresome labors are now performed in the large American hotels, in some of our charitable institutions, and even in prisons, is a standing irony upon the wretched and poverty-stricken arrangements of our domestic establishments. Any system of social reorganization which should involve the necessity of individual or family isolation would be, therefore, essentially faulty, while, on the other hand, every individual must be left entirely free to seek and enjoy as much solitude or privacy as he or she may choose, assuming for themselves the additional cost of such indulgence.

216. While the public at large have not pushed their investigations into the wonderful results which are yet to come from new applications of this principle of economy,—in the immense augmentation of wealth, leisure, luxury, and refinement to be participated in by the whole people,—Social Reformers have not failed to do so. Many of them have reveled in their brilliant imaginings of the future until they have become maddened at the stupidity of the world, and denounce with a vehemence, which seems insanity to their less appreciative fellow-men, the folly and absurdity of our existing social arrangements. The folly is, however, by no means confined to the Conservative. The Socialist has proposed no method of

realizing the splendid social revolution which he advocates, other than combinations, industrial associations, or extensive partnership interests. The Conservative has rightly seen in such arrangements insuperable difficulties of administration, and a ruinous surrender of the freedom of the individual. The demand is now urgent for a solution of this *embroglio*. The Cost Principle furnishes that solution in that method of its operation which I am about to specify. Herein, then, is the conciliation of the seemingly conflicting truths of Socialism and Conservatism.

217. It has been already stated that the individualization or disconnection of interests insisted upon by us has in it none of the features of isolation,—that there is, in fine, in these principles, nothing adverse to the largest enterprises, and the most thorough organization in every department of business. *The disconnection relates to the methods of ownership and administration, not to the aggregation of persons.* It is adverse alone to sinking the distinction or blending the lines of individual property, but in no manner to the closest association, the most intimate relations, and the most effective coöperation between the owners of the interests thus sharply defined. We affirm, indeed, that it is only out of this prior and continuous rigid ascertainment of rights that mutual harmony and beneficial coöperation can ever accrue. } To obliterate the lines of individual property } and administration is always and everywhere to plunge into utter and hopeless confusion. Such is the sin of Communism } To interlock and combine the several interests of a community so that the will of one party, in the management of his own, can be overborne by the will of another individual, or any majority of individuals in the world, or his conduct in the administration of that which is his subjected to the authorized criticism of others, is a species of multiplication in which confusion and despotism are the factors, and the natural and inevitable product, in all delicately constituted and well-developed minds, abhorrence and disgust. Such is the sin of all partnerships, Trades' Associations, and Fourieristic Phalansterian joint-stock arrangements whatsoever.

218. Let it be observed distinctly, however, that in none of these proposed reorganizations of society is the fallacy to be found in the magnificent amplitude of dimensions, the complex variety of development, the intimate societary life, the general prevalence of wealth, luxury, and refinement, nor in the indispensable *postulatum* of universal coöperation. All this, and more, lies hid in the womb of time, and the hour of parturition is at hand. The futility of all these schemes of social regeneration is to be found alone in the want of individualization } as the starting point, the perpetual accompaniment, and the final development of the movement, and the failure to discover that in } harmonious juxtaposition with the complete severance and apparent opposition of individual interests lies the most liberal, perfect, and all-pervading system of mutual coöperation, } developed through a process almost ridiculously simple,—the mere cessation of mutual robbery by the erection and observance of a scientific measure of price and standard of equivalents.

219. A single illustration will render clear the way in which, out of the limitation of all price to the mere cost of performance and production, grows the tendency to aggregation, and the doing of all work upon the large, and thereby upon the economical scale,—*but without partnership interest or Combination in the technical sense of that term, as differing from Coöperation.* (49, 50.) Take the case of an Eating-House conducted upon the Cost Principle. If fifty, one hundred, or five hundred persons eat at the same establishment, the economy is immense over providing the same number of people with the same style of living in ten, twenty, or one hundred separate establishments. Hence the large and elegant eating saloon, with cleanliness, order, artistic skill, and abundance, in the preparation of food, is a cheaper arrangement than the meagre and ill-conditioned private table. The general facts in this respect are too well known to require to be specifically established. In the Eating-House, as it now exists in large cities, the economy here spoken of is actually secured,—that is, each boarder is fed at less actual cost than he could be in the isolated household; but the saving thus effected does not go into the pocket of the boarder, nor accrue in any manner to his benefit. On the contrary, he is ordinarily compelled to pay more than it would cost him to supply himself at home. Hence, there is no general and controlling influence of the eating-house system to call the population out of their private establishments and induce them to live upon the large scale, at public saloons. There are conveniences and agreeable features in that mode of life which address themselves to certain classes of persons, bachelors with ample means, merchants whose business is at a distance from their homes, travelers, temporary citizens, etc., which overbalance the repulsion of enhanced price, and supply these establishments with a given amount of custom. They fail, however, on account of that enhanced price, to break up, as they would inevitably do if the price were much less instead of greater, the isolated household system of cookery, which is now one of the primary causes of the unmitigated drudgery and undevelopment of the female sex.

220. As stated, then, the saving from the large scale now actually takes place, as it would do under the true system of administration; but, instead of going to the benefit of the boarders of the establishment, it goes first in the form of profits to the keeper of the house, then in the form of rent from him to the party who owns the house, and, finally, it is probable, in the form of interest from the owner of the premises to the money-lender, who has loaned the capital to construct it, while at the same time the operation of the principle is restricted, and the amount of the saving diminished, by the causes which prevent the population generally from resorting to such establishments. Under the operation of the Cost Principle all this is reversed. Nobody stands between the boarder and the saving which grows naturally out of the economical tendency of the large scale. Nobody receives the benefit but himself. The keeper of the house makes no profit, but is paid simply an equivalent for his labor, according to its degree of burdensomeness

or repugnance,—less, if it is less repugnant, than an attendant on the tables, or a cook in the kitchen. The owner of the house receives no rent, in the nature of *profit*, but merely the wear and tear of the premises,—the *cost* of maintaining them in an equally good condition (241); and, finally, there is no money-lender, levying an additional contribution for the supply of a circulating medium so scarce and expensive as to be capable of being monopolized. Hence, whoever lives at an Eating-House managed upon the Cost Principle lives either at a much cheaper rate than he can live in a private way, or else in a much better style, or else with both of these elements of attraction combined. Hence, again, there is a potent influence under that principle, operating upon the whole community to draw them out of their present solitary and poverty-stricken household arrangements into a larger sphere of elegance, comfort, and refinement, while at the same time their full freedom is preserved to remain as they are, at their own cost. The seeds of a great social revolution are planted, while no prejudice is shocked. There is no pledge demanded, no premeditated concert of action, no sudden overturn or derangement of social habits, no enforced conformity, no authorized espionage and criticism. The change is effected gently, gradually, unobtrusively, and considerably toward all existing habits and feelings.

221. Nor is the social revolution thus foreshadowed less radical and entire than that which is aspired after by the most advanced of Social Reformers. It differs in the fact that it is a *natural growth* from simple roots implanted in the common understanding, in the form of principles or mere suggestions of honesty,—not a splendid and complicated *à priori* arrangement of details as a great work of art. The same principle here illustrated with reference to the Eating-House applies of course to the Public Wash-House, to the Infant School, or Common Nursery for the professional rearing, training, and development of children, and to every other advantageous arrangement of societary life. Relieved of the burden of cooking, washing, and nursing, except as her tastes lead her to participate in one or other of these pursuits professionally, it becomes competent to woman to elect and vary her career in life with as much freedom as man. Then, and never until then, can woman become an Individual herself, instead of a mere hanger-on upon the destinies of another. Then, and not until then, can the intellect of the woman be developed so as to form the appropriate counterpoise to her affectionate nature. There is not, in our existing society, one woman in a hundred who knows as much at the age of forty as she knew at twenty. Confined, for the most part, to the same narrow circle of household affairs, with children, nurses, and housemaids as her associates, she shrinks mentally instead of expanding, and comes finally to nauseate, and to object with sickly fastidiousness to those changes in her condition which are essential to her emancipation. Hence it is only in the rare case of highly endowed and well-developed womanhood that the Social Reformer meets the hearty sympathy of the sex in those plans of domestic amelioration which are indispen-

able to the assumption by her of that rank in the social hierarchy for which nature has disposed her, and which, despite of herself, as it were, she is destined to attain. —

222. Again, when these several domestic functions are performed severally upon the large scale, additional conveniences will be found to arise from combining the Eating-House, the Laundry, the Nursery, the Lying-in Department, etc., etc., in one unitary edifice, and conducting the whole upon a plan not inferior, perhaps, in magnificence and extent to the Phalansterian order of Fourier. It is not my purpose to trace out these ulterior developments of the principle. The social philosopher will, from this point, do that for himself. However magnificent may be the scale upon which the social order, growing out of these principles, shall finally adjust itself, there will be in it always the marked distinction from every Social Reform heretofore proposed,—that every grand public undertaking, whether it be an Eating Establishment to accommodate several hundred persons or families, a Hospital, a Public Laundry, a Hotel for the accommodation of travelers, a Factory, a huge Workshop, a Plantation, the complicated arrangements of transportation and navigation, or, finally, the Phalanstery itself, combining every convenience and all the functions of social life on the most extended scale, will still be a strictly individual enterprise, the outbirth of the genius and activity of a single mind. Hundreds of men and women may be engaged in the administration, some of whom will be at the head of the various departments, but all of them rigidly subordinate to the grand design of the projector, who will be the despot of his own dominions, exercising, nevertheless, a beneficent despotism, wherein the highest and best expression of himself, wrought out in his work, redounds equally to the good of all others who are related in any manner to the transaction,—a self-elected governor of mankind, by the divine right of genius or supereminent ability to excogitate and perform. At the same time, whoever evinces the higher grades of inventive and organizing talent will have the command freely of the requisite capital to aid the execution of his designs, limited only by the aggregate amount of surplus capital in the community as compared with the number of such beneficent enterprises on foot. This effect will result from the fact that, under the operation of the Cost Principle, capital of itself earns nothing, and hence that all persons in the community who have surplus accumulations of wealth will prefer that such accumulations shall be intrusted to, and be administered by, those persons who demonstrate the greatest capacity for doing so, in that way which will contribute most to the public welfare; a benefit in which the owners of such capital will participate along with the whole public,—in addition to their right to withdraw their investments in such installments as they may require for their own use. The ideas involved in this paragraph will be further developed in the next chapter, in treating of Capital and the “Wages System.” (230, 249.)

223. It follows, then, that by the simple operation of Equity attractive industry is secured, coöperation is rendered beneficent instead of destructive, all the eco-

nomies are effected, and this still with a complete preservation, on all hands, of Individuality and the Sovereignty of the Individual. Coöperation is rendered universal by the same means, speculation is banished, antagonisms of all sorts are neutralized, a complete Adaptation of Supply to Demand is for the first time in the world rendered practicable, and mankind enter upon a career of harmony, development, and happiness which the experience of all past ages has been but a painful preparation to enjoy by strong contrast, as dark shadows relieve the lights upon the canvas of the painter. Let the man or the woman who desires to participate in the work of installing the Reign of Harmony put his or her hand to the **work.**

## CHAPTER VII.

## CAPITAL, RENT, INTEREST, WAGES, MACHINERY, ETC.

224. It remains to point out more specifically the operation of the Cost Principle upon Capital, Rent, Interest, Wages, and Machinery, with the true relations of these matters to labor. Serious questions have been raised, in the recent discussions upon reform, upon all of these subjects, and innumerable difficulties have been felt in arriving at any satisfactory adjustment of the points at issue. It has been seen that capital or wealth already accumulated is one element in the accumulation of additional wealth, and hence it has appeared to be equitable that such capital, or rather the parties to whom such accumulated wealth pertained, should have some share in the new accumulations, in the production of which their capital has been instrumental. In other words, it has been seen that wealth loaned to and employed by another is a real benefit to that other, and the question is forcibly asked, why, then, should not the borrower, in justice, remunerate the lender to the extent of the benefit received, or, at least, to the extent of some part of that benefit? This question has never been satisfactorily answered, and can never be answered so long as *value*, or *benefit conferred*, is recognized as a basis for remuneration or price. But we have seen that price rests, according to the true principles of science, wholly upon a different basis, and that benefit conferred is no ground of claim whatsoever.

225. As this distinction between the true and the false basis of price is one of great importance to the solution of the questions now about to be treated of, I shall be pardoned for stating it again, and, if possible, rendering it still more obvious. All commerce has heretofore been conducted upon the idea of an exchange of *equivalent benefits*. This is what has been denominated the Value Principle, which has been shown, as well by an analysis of the principle itself as by the pernicious consequences resulting from its operation, to be essentially erroneous. The basis principle of true commerce is, on the contrary, an exchange of *equivalent burdens*. No amount of benefit conferred by one human being upon another gives the slightest title to remuneration, provided the conferring of such benefit has *cost* nothing to the party conferring it. To impart pleasure, and to shed an atmosphere of happiness in every direction, is the true life of all refined and well-developed humanity. To levy tribute as a consideration for the exercise of one's own higher nature is to profane the most sacred things. It is true that the conferring of benefits does, by a natural effect, quicken the tendency to confer benefits in return, and

in this manner to produce reciprocity; but *that tendency is stronger in proportion to the absence of all claim to such reciprocity.* Price, relating solely to what can be appropriately claimed, has, then, no basis in benefit conferred. Hence, there is no justification whatever for interest or rent on capital in the fact that the loan of capital confers a benefit upon the borrower which he would not otherwise enjoy.

➤ Whatever basis there may be,—and we shall see, presently, that there *is* a basis for a price, in some cases, for the use of capital,—it is not the benefit conferred, and the price must not be measured in any manner whatsoever by the amount of that benefit.

226. Another argument is used on behalf of those who defend the participation of capital in the results of labor, with no clear distinction, apparently, between it and the one above stated, in the minds of those who employ it. It is said that, if I have property which I have accumulated by my labor, and you desire the use of it to enable you to accumulate property for yourself more rapidly than you could otherwise do, and I forego the use of it for your sake, and to my own deprivation, that I ought to be repaid for the sacrifice that I make. This position is rigidly correct. It is merely one form of statement of the Cost Principle itself. It is a statement that the sacrifice made, the burden endured, or the repugnance overcome on the part of the party making the loan, is a basis of price. It should be said, to make the statement complete, that such is *the* basis, and the only basis of price, so as to exclude entirely the mixed consideration of sacrifice endured by the one party and benefit conferred upon the other. *All just price is in the nature of indemnification for damages.* If no damage is incurred, no matter how enormous the benefit conferred, there can be no just price, and, if the damage be ten times the amount of the benefit, the extent of the damage is nevertheless the measure of the price. Hence, the Cost Principle does not arbitrarily decide that there shall be no price for the use of capital, or even that the price shall be *extremely* low. It simply determines when a price is allowable, and furnishes the standard by which the legitimate amount of the price may be ascertained. It sides with neither of the combatants upon the question, as the question has heretofore been discussed, but comes in between them and points out a new line of demarkation between the right and the wrong of the matter.

➤ 227. This new line of demarkation runs with the amount of sacrifice which the owner and lender of capital undergoes in depriving himself temporarily of the use of it, no regard whatever being had to the amount of benefit which the borrower may derive from it. Hence it follows that all *surplus capital*—capital which the present convenience of the owner does not require for use or consumption, and which can be intrusted to the administration of another without more risk than would be incurred by retaining it in the custody of the owner (230)—will be open to loan, without price in the form of interest or rent. The element of risk is another ground upon which interest is defended. Just so far as augmented risk is

actually incurred by a loan, it is, in fact, a legitimate element of price, being part of the cost or burden imposed upon the lender. It will be shown, however, presently, that by the operation of these principles risk will be reduced to a minimum, — to those inevitable, possible contingencies which may attach to the existence of wealth as well in the hands of the owner as anywhere else. Hence all capital which is a positive surplus over present necessities will be loaned—the moral and pecuniary security being ample—without price. (230.)

228. But then the objection arises that the real sacrifice made by the lender in depriving himself of the use of capital, as of money, for example, under the existing régime, is precisely measured by the amount of interest which can be obtained for it in the market; since by lending it without interest he is surrendering the opportunity to accumulate that amount, and hence that the new rule comes back practically to the same thing as the old one. The fallacy of this objection would be quite obvious except for the perversion of the moral sense induced by the corrupting influence of the system in which we live. As it is, it may be necessary to probe it and expose it. It can be no sacrifice, it is no burden, it costs nothing, *to the honest man*, to surrender the opportunity which the wants of others confer upon him to force them to give to him what he is not entitled to receive. It has been shown that he is entitled to receive nothing upon the ground of their wants, or the consequent benefit or relief which the loan will confer. The argument is this: I recognize that, in a transaction which I am about to have with you, the limits of my just demand against you are the same as those of the amounts and claims which I am about to surrender; but then I find that among other things I am about to surrender an opportunity which circumstances have placed in my power to cheat you out of a thousand pounds, and I wish thereupon to augment my demand by that amount. Do you not perceive that I immediately forfeit all title to the appellation of an honest man? Do you not perceive that the case is the same, if I first recognize that the price I can justly charge you for the use of capital is the sacrifice which it costs me to part with it, and I then propose to include in that sacrifice the chance of getting from some one else more than the just price?

229. Risk is stated by all writers on the subject as one of the grounds on which Interest or Rent on Capital rests, and I have admitted that it is a good ground of price just so far as the risk is augmented by the loan. Even in the existing order of society, however, it frequently happens that capital invested in the hands of another party is rendered quite as secure as it would be in the custody of the owner. It is possible, by bond and mortgage on real estate, for example, with an ample margin of value, to render the risk positively less than would be incurred by the owner in hoarding his wealth in his own strong box, or entrusting it to his banker. The risks of losing property are in some respects the same whether the owner retains it himself or permits it to go out of his hands; in other respects the risk is greatly enhanced, in the present state of things, by ceasing to guard it personally.

Some risks, from the accidents of nature, are perhaps such that they can never be foreseen and guarded against by any arrangements whatever, let the property be where it may. These, if there are such, make no basis of interest or rent on the capital when loaned, as it is a cost which the owner of the property must endure in any event. Other risks, dependent on the accidents of nature, are capable of being estimated with sufficient precision to be covered by insurance. These risks again furnish no basis of interest or rent to be charged on the borrower, unless the property is going to be employed in a more hazardous way. If so, the augmented rate of insurance falls equitably upon the borrower, and marks precisely the extent to which this element is the basis of price. Finally, risks are incurred, now, by the chances of speculation which attend nearly every use of capital, and by the prevailing habits of dishonesty which grow out of speculation, the want of any known standard of honesty, the general prevalence of poverty, distress, and commercial revulsions, together with the consequent want of security of condition,—in other words, out of the want of any knowledge in the public mind of what honesty is, and the want of such conditions of the individual as render honesty possible. Under the operation of the Cost Principle speculation is extinguished, and the dishonesty which grows out of that root is extinguished along with it. Poverty, pecuniary distress, and commercial revulsions will cease, and a general security of condition will be achieved; and along with these changes will cease the temptations and constraint of circumstances, which force men now into dishonest practices, against the protest of their consciences, and to the absolute loathing of the real man within. An exact standard of honesty will exist in the mind of every one. Public sentiment will become as stringent in relation to the right and wrong of every commercial transaction as it is now in regard to bribe-taking and perjury; and, finally, every man, woman, and child will be a banker, with a reputation to preserve untarnished, as the sole condition of enjoying merely commercial advantages and facilities, worth more than the most unlimited credit in the existing order of commercial affairs. Dishonesty, therefore, will cease along with the cessation of speculation or profit-making, and with the inauguration of these new principles of society. It is a fruit which grows upon the tree which is now cultivated, not upon that which we are proposing to plant.

230. It follows from these considerations that all that class of risks—now by far the most considerable—which arise out of the contingencies of speculative commerce and the prevalent dishonesty of commercial nations disappear so soon as true principles are in operation. Hence they cease to be taken into account as a basis of interest or rent on capital. The lender lends with entire confidence, resting upon the security of the property loaned,—which will remain in some form always on hand to meet his demand,—the actual risks from the accidents of nature being covered, so far as practicable, by insurance. He recognizes in principle that his capital earns nothing; hence, if it is surplus with him,—that is, if he desires

to make no other present use of it than merely to preserve it,—it becomes at first immaterial to him whether it remains in his own custody or in the custody of a friend, while, in the second place, it is a relief to him to be freed from its administration in the intermediate time; and, finally, he will be, along with all the rest of the community, a participant in the benefits which will result to the whole public from having it occupied in any enterprise conducted upon the Cost Principle. Hence again it follows, as stated in the preceding chapter (222), that “whoever evinces the highest grades of inventing and organizing talent will have the command, freely, of the requisite capital to aid the execution of his designs, limited only by the aggregate amount of surplus capital in the community, as compared with the number of such beneficent enterprises on foot.”

231. It is nevertheless true that under the operation of these principles there are circumstances in which the use of capital is fairly a matter of price. Such is the case whenever the capital loaned is not a surplus above present needs, and when, consequently, to make the loan at all is to postpone one's own present enjoyment, and hence to endure a sacrifice,—to assume cost. It is the same with labor done for another at a time when it is an inconvenience to perform it. To render this distinction, and also the difference between the operation of true principles and of the present false principles, more obvious, let us assume an illustrative case.

Suppose twenty families of emigrants landing in Oregon. All need houses forthwith. But houses for all cannot be built at once. It is assumed, now, that it is morally and economically right that those who are willing to give the largest amount of their present wealth or future labor for the assistance of the others should have their houses built first, that the enhancement of price in consideration of credit is in the nature of interest, and hence that interest is right.

The answer is this: Cost has its positive and negative aspect. It includes, 1. Active performance of painful labor; 2. Passive suffering, sacrifice, deprivation, or endurance. Under this second head I legitimately charge a price for the surrender of the use of capital (my labor being also capital), at any time when it would be really advantageous to me to use it for myself; but the exact measure of the *price* of such surrender is the amount of that sacrifice,—not the amount of the benefit which I shall confer on another by making it. It is legitimate that the party who postpones building at a sacrifice to himself for the accommodation of another shall charge an enhanced price. So far we seem to go toward admitting the basis of interest, which is assumed. This enhancement of price is entirely different, however, from interest on money, as now in use. Such as it is, it is not only entirely harmonious with, but is absolutely demanded by, the Cost Principle, the foundation of the charge being the cost or pain endured.

232. You are right in assuming that, in the case put, an enhanced price should be charged. You are wrong in assuming that the *measure* of that enhanced price

is the amount of present wealth or future labor which the several parties are respectively willing to give to obtain the accommodation. Those parties will be willing to give most who stand most in want of shelter; in other words, those who would suffer most from being unhoused; in other words, again, the weak and feeble, the invalid, the unprotected women and children. They are willing to give or promise most, because their *wants* are greatest; in other words, because the *value* to them of comfortable shelter is greater than it is to the robust and enduring. This, then, is the *value* principle, or the supply-and-demand principle, as it is sometimes called, — the false principle of commerce which now prevails, — the antipodes of the *Cost* Principle, — the true principle of commerce, which will prevail under the reign of Equity.

233. Let us see now the application of the Cost Principle to the case in hand. An enhanced price is to be charged by those who postpone their own accommodation, but that enhancement is *measured* by the amount of sacrifice or inconvenience suffered. Consequently the stronger, the healthy, and those most accustomed to hardships, will postpone their own accommodation for less augmentation of price than others, and the weak and suffering will be housed *first*, as they ought to be *morally*, and *at the cheapest rate*, as they ought to be *economically*. A false principle always puts on the guise of a true principle. Hence, both the *Value* Principle and the *Cost* Principle promise the same thing, and will begin by building the houses of those who are in the greatest want first; but the *Value* Principle robs the weak for whom it builds, during the process, and then builds more magnificently for the strong, making hewers of wood and drawers of water of the weak forever afterward. It is again seen, therefore, that the *Value*, or *Supply-and-Demand* Principle is the essential element of the civilized cannibalism which now prevails, and the *Cost* Principle the essential element of true or harmonic relations among men.

234. There is still another ground upon which a defence of interest is set up. It is said that trees grow, or, in other words, that property has a natural tendency to increase, and hence that a smaller amount of property in hand now is, upon natural principles, worth as much as a larger amount to come into possession one, two, or three years hence, and hence, again, that I ought to receive more in payment of a debt which is postponed, which is again in the nature of interest.

It has been stated that, in the case of a real inconvenience occasioned by a delay, a price is equitably paid. That admission does not, however, affect the case now put. Cases must be distinguished. It is not true that all wealth increases naturally by time. Some does so, while other kinds deteriorate. Let us apply the principle, however, to the case of an actual increase. It is a consequence of the *Cost* Principle that natural wealth bears no price; consequently the increase of natural wealth bears no increased price. For example: if cattle increase naturally upon the open prairie, and no human labor is bestowed upon their care, they are the common wealth of all mankind. If a given amount of labor is bestowed upon the

care of a drove of one hundred, that amount of labor, or its equivalent, is the legitimate price of the drove. If, then, a drove of one hundred and fifty can be cared for just as well by the same labor, the legitimate price of the larger drove will be precisely the same as that of the smaller, for not *value* but *cost* is the limit of price. Hence, *under the operation of the Cost Principle*, there is no sacrifice to me in postponing the receipt of property due me on the ground of its prospective natural increase, for, if there is no human labor added to produce the increase, the price remains the same, and I can at the future day purchase the larger quantity at the same rate as I should now give for the smaller. And again, if human labor contributes to the increase, then it is not natural or spontaneous increase, and there will be an augmentation of price; but in that case the augmentation will be merely a precise equivalent for the human labor so bestowed, so that it becomes entirely indifferent with me whether I have the property now in possession and bestow upon it the necessary labor myself, or whether it remains in the possession of another, who bestows the labor, and to whom, at the expiration of the term, I give merely an equivalent,—that is, an equal amount of labor in some other form. Hence, while there is, under the auspices of the *Value Principle*, which now governs property relations, an apparent sacrifice from the postponement of payment on the ground of natural increase, there is no ground of sacrifice, and consequently no basis for interest, under the *Cost Principle*.

235. I anticipate an objection like this. What is said here of natural wealth supposes an abundance of that species of wealth. What is said of the cattle on the prairie may be all right if there are enough cattle for all. But so soon as a scarcity occurs, will any one who has possession of a drove divide with others for a due proportion of the labor he has bestowed upon it?

This is a mere question as to what men will do under the pressure of temptation to do wrong. It is clear that the only right the individual has to the drove more than others results from the labor he has bestowed upon it. That makes it his property. He can refuse to dispose of it if he requires it for his own use. If he does dispose of it, the just measure of price is the amount of labor bestowed. As he cannot augment that price, if he acts justly, by retaining it while pressed by the wants of others to dispose of it, the temptation to retain more than he requires for his own wants is removed. There is no motive left to act against his humanity, and, as humanity is an element in the nature of every man, it will of course act to induce him to dispose of what he can spare.

236. Still the objection is not fully answered without this additional statement. It is easy to act upon the true principle,—that is, there is less temptation to deviate from it,—just in proportion to the prevalence of general abundance and the complete adaptation of supply to demand; but, on the other hand, the greater prevalence of abundance and a more perfect adaptation of supply to demand grow directly out of the adoption of the principle. The exercise of the principle will

create the atmosphere in which it can itself live with a more and more perfect life. A false principle now prevents the development and proper distribution of wealth. It is no impeachment of the true principle that, under the pressure of want created by the false one, there is a strong temptation to act in turn upon the false instead of the true one.

237. It will be seen, then, that although the Cost Principle allows sometimes of an augmentation of price on the ground of a delay of payment, such augmentation is quite different from interest on money, as now understood. It is, nevertheless, the spice of truth contained in the proposition that delay is a sacrifice which gives plausibility to this argument for interest.

238. Interest differs from any such augmentation of price, 1. Because it relates to the value or benefit of the accommodation to the receiver, and not to the sacrifice or cost to the grantor. 2. Because it goes by rule, and, even when it professes to be based on cost, does not individualize the cases of real sacrifice, apparent sacrifice, and no sacrifice. 3. Because it claims to be based, in part, on the natural increase of wealth, whereas all natural wealth, and consequently the increase of natural wealth, is no legitimate basis of price whatsoever.

Every one must admit the essential justice of the Cost Principle in its primary statement,—namely, that as much burden as you take for my sake so much am I bound to take for your sake. The logical consequences of that admission sweep all interest out of existence, so far as interest is an admission of the right of capital to accumulate more capital, and vindicate the claim of all mankind to the equal enjoyment of every species of natural wealth.

239. The reader must distinguish well between capital itself, and the capacity of capital of itself to make additional accumulations. The Cost Principle makes no attack upon capital. It recognizes capital as the legitimate accumulations of labor. It simply denies that capital itself has any legitimate power, when not used by the owner, to accumulate more capital for him. But what, cries the fat citizen who lives on his rents and whose ideas are steeped in the actual routine of commerce, what is the use of capital which produces no income? It is of use, my good friend, simply for the purpose of being used. It is of use in the same manner, and for the same purpose, as honey accumulated in the hive is of use to the bees. Honey is made for the purpose of being consumed. From the time the bees cease to work, their store of wealth, ceasing to augment, begins to decrease. No contrivance has ever been hit upon among them by which the honey itself should go on making more honey after the bees retired from business. Hence, among bees, the rich do not become richer, nor the poor poorer, except in proportion as they work and eat. Under the operation of the true principles of industry and commerce the same will be true of mankind. Accumulations of wealth will be an object of ambition then, as now, because, so long as they last, they will exempt the owner from toil, if he chooses to be exempt. The man who has wealth will be in the condition of a man

who has done his work. He can acquire wealth through his own labor, or through donations, bequests, or inheritance from friends. His capital will be invested in houses, shops, machinery, improvements upon lands, the Labor Notes of others, in everything, in fact, which is legitimately property, precisely as now; but such investments will bring him no rents, profits, or interest, as an augmentation of his capital. Whatever he withdraws, converts into a consumable shape, and consumes, will be so far a diminution of his capital stock, as it will be obvious to every candid mind that it should.

240. Let us look a little more specifically into this operation of the principle, as relates to the rent of lands and houses, the use of machinery, and the like. We have already noticed the effect as relates to the price of land when sold. (82.) On the same grounds there stated, and elsewhere illustrated, the rent of lands is *nothing*, provided they are maintained in as good a condition, in all respects, as that in which they were when received by him who hires them. If the owner maintains them in that condition, manuring them, fencing them, etc., then the rent is the equivalent of the cost of doing so. If the hirer puts the lands in a better condition than they were in when he received them, the price is due from the owner and renter of the lands to him, inverting the present order of payment, and is measured by the cost of such augmentation of value. So, if the owner sells the lands, it will be remembered that the price is the cost of the successive augmentations of value upon the soil since the land was in its natural state, and which still remain with it. Hence it follows that not only is all speculation in land extinguished, but along with it all temptation to monopolize the soil. There is no advantage in owning land which one does not want for his present uses, except this,—that one may foresee the probability of his requiring a particular lot for his subsequent private occupation, and may, for that reason, desire to retain the control of it, or rather the right which ownership confers to resume the control of it at a future time. The ownership of the disposable improvements or augmented value upon the soil may also be as convenient an investment for one's surplus wealth as any other, since that can at any time be converted, by sale, into consumable property, to supply his wants. On the other hand, there is no advantage on the part of him who cultivates land in owning the land over hiring it of another, except in the permanency of his tenure. As a mere tenant, he may be required to remove at the expiration of his term for the convenience of another, but, so far as the profitableness of his occupancy is concerned, it is precisely the same whether he owns or hires.

241. As relates to the hiring of houses and structures of all sorts, the operation of the principle is the same. The rent is a mere equivalent of cost to the wear and tear of the premises. If the tenant keeps them in thorough repair, so that there is no depreciation of value, the rent is zero. If, on the other hand, the deterioration is suffered to go on, the annual amount of that deterioration, as averaged

upon the term which the property may last, is the annual rent, so that when the property is worn out the owner will have received a full equivalent for it, and have kept his capital good by other investments, or have consumed it in supplying his own wants. Suppose, for example, a house upon a money calculation (all such calculations will be finally resolved into hours of labor or pounds of corn) costs ten thousand dollars, and is estimated to be capable of lasting two hundred years; the annual rent of it will then be fifty dollars per annum. The owner of such a building will then have an annual income of fifty dollars per annum in addition to his earnings from his own labor, which he will consume if he chooses, and at the expiration of the term of two hundred years the whole will be exhausted. If he owns such a property, and wishes to consume it more rapidly, he can sell it to such persons as wish to preserve their capital, and use up the proceeds. It follows that the more permanent the structure the less the rent, so that buildings capable of defying the inroads of time—stone structures and the like, for example—will command no rent at all. Still this is perfectly harmonious, since such edifices are a safe means of investing capital, which really earns nothing let it be invested where it may, and which can be reconverted at any time into consumable property by sale. Where capital earns nothing, selling is just as advantageous as renting, since renting is really selling piecemeal instead of in the gross. Hence, under those circumstances, it is no objection to the purchaser who has capital to invest that the stone house will bring no rent.

242. But it may be objected that, if persons were able to hire stone houses free of rent, they would not hire others of a more perishable material. Clearly not, if there were enough of the more permanent ones to supply the demand. If there were nearly enough, the less permanent and consequently more expensive ones would be less rentable and less saleable, and would therefore offer a less secure investment for the capitalist. Hence, again, the tendency of this operation of the principle is to force the capitalist to build indestructible edifices, and, finally, to house the whole population free of rent. Is that consummation to be deplored? But at that point, urges the objector, houses cease to be saleable; hence they cease to be property convertible into consumable products, and there will no longer be any motive with the possessor of surplus wealth to construct houses at all. Precisely so. But that point is just the point at which all the houses that are required by the whole people have been already built. Is there any calamity in ceasing to provide a supply when there is no longer any demand? It will be high time, then, that surplus capital shall be invested in other provisions for human wants, in loans to genius for the working out of new designs, and the like. There need be no fear, with the ever-rising scale of luxury and refinement, that there will occur any glut of the aggregate demand for such surplus accumulations.

243. The operation of the principle is again the same with reference to machinery, and hence the Cost Principle settles triumphantly, as nothing else can, this,

the most vexatious question perhaps of modern economical science. The machine earns nothing. The capital invested in it is merely kept good for the owner. The dividend due to the machine is solely the wear and tear of the machine. Hence machinery ceases to work against the laborer, and begins to work exclusively for him. Every member of community comes at once to participate equally in all the advantages of every labor-saving process. Wealth has no longer any monopoly of those advantages. Cost being the limit of price, the price of every product is reduced to every purchaser by just so much as the cost of its production is diminished by the aid of machinery. Hence machinery, like competition, now the enemy of the laborer, will be converted into his coöperating servant and most efficient benefactor. (159, 163, 208.)

244. I must not omit, before closing this chapter, to notice the remaining ground upon which the habit of paying interest on money, and consequently rent on capital, *now* rests, and along with it the power of capital over labor,—namely, the scarcity and expensiveness of the circulating medium hitherto in use. There is not enough of the so-called precious metals to serve the purposes of commerce as a proper medium of exchange, their intrinsic value and insufficient supply making them the subjects of monopoly in the hands of the money-dealers. This point has been already adverted to, and the remedy shown to be the substitution of the Labor Note. (77.)

245. It will be appropriate now also to say a few words in relation to the capacity of the individual Labor Note to expand into a general system of currency. As that capacity depends somewhat upon the prevalence of confidence consequent upon a general habit of honesty in the community, it could not be so favorably presented until the power of the Cost Principle in operation, to engender that habit, had been previously shown.

246. In every small community in which the Labor Note is used, there will be very soon some one individual whose notes will come more into use than those of others,—the storekeeper, for example, in the village. It will be safe for him to issue Labor Notes to any extent which he can redeem in his own labor, in goods from his shelves, or in the Labor Notes of others. His business will bring him continually into possession of the Labor Notes of all his customers,—at first only in payment for his own labor in serving them,—the cash cost of the goods being paid in cash,—but, finally, with the extension of the system which we are now supposing, for the original cost of the goods as well. Having these notes in possession, it will be the same thing whether he puts them in circulation, or whether he puts his own notes in circulation for an equal amount and retains those of his customers as the means of redemption. Convenience will be in favor of the latter method, so far as it shall be found in practice to be safe; which will be in proportion to the growth of the general habit of honesty; which will be again in exact proportion to the general adoption of the Cost Principle as the governing prin-

ciple of commerce. Wherever the honesty of the storekeeper can be entirely relied upon, guarded as it will be by the usage of keeping his books entirely open at all times to the inspection of the public, the practice may grow up of each inhabitant of the village exchanging Labor Notes with him for as much currency as he requires for his own use, and issuing the notes of the storekeeper instead of his own. In this manner the storekeeper becomes the village banker, and makes out and signs all the currency in use in his neighborhood, and, as the doing so becomes a burden, charges the cost upon every issue. By this means the detail of each person's signing and issuing his own notes will be finally avoided, and the banking of the village surrendered into the hands of one person. Every movement should begin, however, for safety, in general individual banking, much in the same manner as it will be found expedient and cheaper in practice, in the early stages of experiment under the Cost Principle, to go back to the manufacture by hand of many articles which are manufactured outside by the aid of machinery, and intrinsically, of course, at a much cheaper rate.

247. The system of banking in Labor Notes by the wholesale, or by one individual for a village, neighborhood, or other community, thus begun, may be extended to the larger towns, and finally to the cities. In the large towns and cities, instead of the business being a mere appendage to the store or post-office, it will become an independent branch of business by itself,—the banker issuing his own notes against those of smaller country bankers held in deposit, as theirs in turn are issued against those of a still smaller class deposited with them, and these again finally against the primary notes of the citizens generally. The notes of the metropolitan bankers will then become a national currency, issued without interest, to the whole community, and at no expense beyond the cost of the mere labor involved in each exchange or issue.

248. It is obvious that such a system of banking is only adapted to a state of society in which there is a high state of confidence in individual good faith. It will be equally obvious, however, to every reader who has rightly apprehended the drift of this treatise, that such a condition of society will be the legitimate result of the application of right principles. It will be alike obvious to every one who reflects that no *true order of society* can exist—the problem to be worked out—while bad faith and general dishonesty remain. The system of currency here slightly developed is adapted to society expurgated of those elements. Its benefits are immense. The fact that we cannot participate in them now may serve to remind us of the sacrifice we incur by adhering to principles which beget mutual overreaching and bad faith as their legitimate progeny.

249. We come, finally, to the consideration of the much-abused "Wages System," to escape which Social Reformers of all schools have proposed rushing into combinations of interest of some sort, to the destruction, as we have seen, of individual sovereignty and freedom. The concrete of our existing labor and com-

mercial arrangements is felt to be disharmonic and oppressive; hence every feature of it is liable to be denounced in turn, in the absence of correct scientific discrimination between what is fundamentally right and wrong in the system. It is in consequence of this liability that Individuality has fallen into disrepute among Reformers, as if in it were the essential element of discord, whereas it has been shown that Individuality is the sole basis of all harmonic adjustment. In like manner the relation of employer and employed is stigmatized daily as vicious in itself, and the ideal is entertained of each individual being so employed as to be his own "boss," to use the language of the trades, and to work solely for himself. No such arrangement is either desirable or feasible. It is not all men who are made for designers, contrivers, and directors. That is perhaps one of the most exact generalizations of mankind into classes by which they are divided into Originators, Organizers, and Executors. The first are least numerous, the second more numerous, and the last most numerous. It is right that those who originate should impress themselves on the execution of their designs, either directly, or through the intervention of the organizing class. *Naturally* each is content with the performance of his own function, according to his organization. The few only will desire to lead; the mass of mankind will prefer to follow, so soon as an equality of rewards renders it alike honorable either to follow or to lead.

250. It is, then, a natural relation that one man should employ another to aid him in actualizing his design; that he who has a design to execute should adjoin to himself the labor of him who has none, or no other one than that of securing the means of his own subsistence in circumstances of personal comfort. For that purpose—the execution of the design—they two enter into a combination, while *in interest* they are still individual and distinct,—the interest of one being in his design, and that of the other in the wages he is to earn. But every combined movement demands an individual lead. Hence, in the execution of the design, the one must guide and the other follow, and the more absolute the submission of the one mind to the other, the more harmonious the movement. Hence, it is proper and right that one man should hire another, and, if he hires him, it is proper and right that he should remunerate him for his labor, and such remuneration is *wages*. Hence, it follows that the "Wages System" is essentially proper and right. It is right that one man employ another, it is right that he pay him wages, and it is right that he direct him absolutely, arbitrarily, if you will, in the performance of his labor, while, on the other hand, it is the business of him who is employed implicitly to obey,—that is, to surrender any will of his own in relation to a design not his own, and to conceive and execute the will of the other.

251. The wrong of our existing system is not, then, to be sought in Individualism, it is not to be sought in the want of Coöperation, except as that grows to some extent out of the want of Equity, nor is it to be sought in the relation of employer and employed. It is right that the great manufacturer should plan, and

either alone, or through the aid of assistants under his direction, organize his mammoth establishment. It is right that he should employ and direct his hundred or his five hundred men. It is not true that those men do not even now cooperate with each other and with him, as it is right and proper that they should. (52.) It is right that he should pay them wages for their work. It is not in any, nor in all of these features combined, that the wrong of our present system is to be sought for and found. *It is in the simple failure to do Equity.* It is not that men are employed and paid, but that they are *not* paid *justly*, and that no measure of Justice or Equity *has ever heretofore been known among men.*

252. When all avenues are alike open to you and me, there is no hardship in the fact that I, having no genius for great enterprises, or preferring to avoid the responsible charge of them, choose freely to labor under your direction for the execution of your designs. It is a great hardship, however, if I am first forced into that position by a system of labor and wealth which leaves me no election, and then robbed, by the operation of the same system, of one half or two thirds of my earnings, for your benefit. In the large establishment, such as we are now contemplating, conducted on the Cost Principle, the proprietor will realize no more in the form of pecuniary results from the undertaking than the humblest laborer employed by him, unless he works harder, *and not so much if he does not work so hard*,—taking into account all the elements of labor or repugnance, both physical and mental.

253. But who, if the temptations of profit-making were removed, would assume the responsibility and burden of devising, organizing, and conducting an extensive and complicated business concern? The question is thoughtlessly asked, and dictated by the control which old associations have over the mind. In the first place, the burden and responsibility, precisely such as they are, more or less, to the individual who thus assumes a leading position, as compared with the disagreeableness of other occupations as estimated by himself solely, are the limit of the reward of his function. The greater the burden the greater the price. The Cost Principle does not pronounce, arbitrarily, that the conductor of the large and complicated business shall be paid a *very low* price for his labor. It merely decides that he shall be paid according to the relative degree of repugnance of that kind of occupation, as judged of by himself,—subject to no other checks than those which are supplied by his own conscience, and the competition of others who may deem it less repugnant than he. Hence, if that kind of occupation actually imposes an intrinsic burden ten times or one hundred times as great as mere executive labor, then the principle accompanies us quite out to that point, and gives to him who serves in that capacity ten or one hundred times as much price as to the ordinary laborer. The principle holds good wherever it conducts; but the result will be, in fact, far otherwise. There are men who are organized for the lead of large and complicated enterprises, to whom positions demanding great powers of mental

combination, and devolving heavy responsibilities, are the most attractive. By such, such positions will be filled at a pecuniary price less rather than more than will be awarded to labors less flattering to the tastes and to the ambition for leading and responsible posts.

254. There is a class of Communist Reformers to whom this whole discussion relating to price will be distasteful. They wish to be rid of price altogether. They aspire to arrive, by a short cut, at a condition of society in which labor shall be solely according to attractions, and supply only measured by the wants of the individual. That ideal has in it, doubtless, a partial prophecy of the truth. It is, however, like the point of no friction in machinery,—a point always to be aimed at, and continually approximated, but never absolutely attained. The tendency to a modified practical communism will develop itself in proportion to the relaxation of the hold of the individual upon private property or possession, which will be again in proportion to the prevalence of general abundance. The effect of the Cost Principle will be to augment the general wealth by means of the Economies, Attractive Industry, and a more perfect Coöperation; hence the tendency of the Cost Principle, in operation, will be *toward* the extinguishment of all price. Price being according to repugnance, it will constantly decrease with the more attractive conditions of industry until, if the point be ever attained at which all labor shall be done from pure attraction, price will cease altogether. Hence, in so far as the Communist has faith in the possibility of attaining the conditions, may he have faith in that result. The Cost Principle begins with us, then, in the midst of repugnant labor as it now is, and does Equity there. It accompanies us with the decrease of repugnance and renders the price less, and finally it attends us quite out to the ideal point of pure attraction and the cessation of all price. It is the mistake of the Communist to assume that the goal has been attained, or that it is possible to attain it by any sudden leap, avoiding the intermediate steps.

255. Still it is important to observe that the absence of price is not the absence of ownership, which last is confusion. Hence, the Cost Principle never lands in Communism in that sense. All property will still belong to individual owners, who will exercise absolute rights over it—as an essential condition of order—even though a price be not demanded. Take an illustration. A drink of water, a pin, or a wafer is not now ordinarily a subject of price, as articles of more considerable value will not be with greater abundance, and still they belong to individual owners. You will take a wafer from my desk without even consulting me. It is not worth my while to assert my ownership. But if on doing so repeatedly you render yourself offensive by puffing tobacco smoke in my face, or otherwise, I fall back upon my right of property, and refuse you the accommodation.

256. In conclusion, it will strike the judicious reader that the Cost Principle is wonderfully searching, subtle, and exact; that it marks the line with precision between what is right and what is wrong in the present system, and between

what is right and what is wrong in all the proposed systems of Social Reform; that it is eclectic and discriminating; that it combines, in fine, the simplicity of fundamental truth in its primary statement with that minuteness of application to the most ramified details which entitle it to the appellation of a Universal Principle.

THE END.

## APPENDIX.

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### I.

#### A REVIEW.

**EQUITABLE COMMERCE. A NEW DEVELOPMENT OF PRINCIPLES, PROPOSED AS ELEMENTS OF NEW SOCIETY.** By JOSIAH WARREN. 12 mo. pp. 117. Fowlers & Wells.\*

This is a new and enlarged edition of the original work on Social Science which has furnished its present editor, Mr. S. P. Andrews, with the basis for the views which he has set forth with so much force of argument and felicity of illustration in his recent publications, entitled "The True Constitution of Government" and "Cost the Limit of Price." Of the profound importance which he attaches to the alleged discoveries of Mr. Warren no one can doubt after reading the preface to this volume. He announces it as "one of the most remarkable ever printed,—a condensed presentation of the most fundamental principles of Social Science ever yet discovered." He does not "hesitate to affirm that there is more scientific truth, positively new to the world, and immensely important in its bearings upon the destiny of mankind, contained in it than was ever before consigned to the same number of pages." It is the deep conviction of the truth of their system which is cherished both by Mr. Warren and Mr. Andrews, we are willing to own, which has awakened our interest in the subject, rather than any sympathy with its methods or any faith in its pretensions. We have an inborn catholicity of taste for everything which claims to be a scientific improvement, and can never repudiate a theory which challenges our acceptance on rational grounds without first endeavoring to look at it in the point of view in which it is presented. Indeed, we hold it the duty of every free mind to exercise a large hospitality to novel systems, in proportion to the scorn and neglect which they are likely to experience at the hands of a timid and unreasoning conservatism. In the present case we can not better show our appreciation of the ability and genuine devotion to social progress displayed in this little volume than by the perfect frankness with which we shall criticise its claims.

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\*This review, and the reply from Mr. Andrews which follows it, appeared originally in the New York "Tribune." The review is supposed to have been written by George Ripley, a prominent disciple of Fourier and at one time president of the Brook Farm Association.

One of the two leading principles to which the work is devoted receives our hearty concurrence. This is the establishment of individual sovereignty as the object of social organization. A variety of forcible considerations, in support of the position, are brought forward by Mr. Warren. But on this point his views cannot pretend to novelty. They have, perhaps, never been more admirably stated than by Mr. Andrews in his treatise on "Government"; but they more or less distinctly pervade the writings of all who have perceived the superiority of man to his accidents. In our opinion the guarantee of individual rights is the paramount object of reform. Our zeal for the masses is based on a sense of the individual injustice which arises from the usurpation of privilege. The most complete development of humanity in all its parts, all its members, all its fragments, is as much the purpose of a true social order as the most perfect action of the productive elements of the earth and atmosphere is the aim of a true system of agriculture. It is the inspiration of this idea which has prompted the efforts of every wise social reformer, and most emphatically of Charles Fourier, the most philosophical, the most profound, and the most comprehensive of all teachers of social science in the nineteenth century. We quarrel with the present order of society because it enslaves the man to institutions, subjects the masses (the aggregate of individuality) to oppressive and crushing influences, keeps the noblest elements of humanity in a state of slumber or paralysis, leaves no scope to the various manifestations of genius, reduces the people to a dead level of custom and fashion, and absolutely deprives myriads of the living, breathing, aspiring beings, who bear the impress of creative Deity on their natures, of the essential conditions of physical health, spiritual culture, interior harmony, and glorious beatitude, which is implied in the Christian verity that man is made in the image of God.

The development and sovereignty of the individual is a chimera without the possession of property. The universal instinct which dreads poverty as the crowning terror of life is a genuine impulse of nature. If in one sense it is true that the rich man cannot enter the Kingdom of Heaven, it is equally true in another sense that the Kingdom of Heaven cannot enter within the soul of the poor man. He is shut out from the command of himself, which is the essential foundation of celestial felicity. He cannot do what he will with his own; for he has neither choice nor ownership. He is under bondage to the external world, to society, to his own physical wants. His very selfhood is eaten out of him by the canker of sharp necessity and inexorable care. He has no guarantee that he can find a place to lay his head, for houses and lands are monopolized. He may be in want of food to eat, for the silver and gold are no longer the Lord's, nor the cattle on a thousand hills, but have become the prey of the strong, and the shrewd, and the ungodly. Even the right to gain his bread by the sweat of his brow depends on the convenience of capital, which may be the least in need of his work when he most wants something to eat. Still less has he any chance of attaining the spiritual

culture and harmony which are the birthright of man, the golden fruitage of affection and hope, the enchantments of poetry, the charms of divine philosophy, the ample revelations of science, and the serene grandeur of thought and feeling inspired by the consciousness of an ever-present God. Alas! he is the first to lose the sentiment of humanity amid the dismal shades of ignorance and the blind terrors of superstition.

Hence we maintain that man cannot be a man without property. He cannot be his own without an outward ownership. He cannot be master of his soul without first being master of external nature. If he would be an individual, he must also be a proprietor. In fact, this is involved in the very significance of the terms. If the individual is *divided off* (*individualized*), he must possess something peculiar, *proper to himself* (*proprium*, property), or he might as well be lost in the mass.

Socialism, accordingly, which aims to make all society a body of proprietors, — giving each man the ownership of everything essential to his development, — establishes the Sovereignty of the Individual.

The whole course of political progress tends to the same result. He must be stone-blind who does not see that the revolutionary spirit of the age is a struggle for Individual Sovereignty, — for the inauguration of man in the power and glory of universal humanity. This tendency is apparent from the progress of history, and its successive gradations may be easily traced to their first principles in human nature.

In a state of society where brute force and cunning are the prominent features, monarchy is the natural, perhaps the inevitable order. The sovereignty of one man usurps the sovereignty of the people. The will of the masses, and, of course, the will of the individuals composing the masses, is lost in the will of the despot. The sentiment of humanity is absorbed in the possession of power. A step in advance is gained by the development of aristocracy. The sovereignty is claimed by a privileged few, to whom the masses are subservient instead of to the monarchy. But here is a step toward the diffusion of privilege. The one-man power has yielded to the power of the magnates. Humanity, however, is far from its goal. The will of "the dear God who loveth all" is not yet accomplished. Democracy must be established, proclaiming equality against privilege, the people against the aristocracy, the masses against classes, man against men. But the practical working of democracy effects only the sovereignty of the majority. Taking power from the few, who had seized it from the monarch (the one-man power), it gives it to the many. But with all its pretensions democracy does not emancipate the masses. The Sovereignty of the Individual has not yet arrived, because the majority to a great extent ignores the interests of the minority, and the majority of today may become the minority of tomorrow. Hence democracy does not guarantee the rights of universal humanity; hence it is but a stepping-stone to better things to come; and hence a new and larger development in the cycle of the ages

is as certain as that man has been made partaker of an infinite nature. The last step is the emancipation of humanity by inaugurating the Sovereignty of the Individual. This is the object of Socialism, or at least that form of Socialism which is better known as Association. The Socialist or Associative idea of human society is not monarchy, the sovereignty of one man, nor aristocracy, the sovereignty of a privileged class, nor democracy, the sovereignty of a majority for the time being, but humanity, or the integral Sovereignty of the Individual.

This, as we have stated, is a prominent thesis of the present work. But it is not so original as the author seems to suppose. It underlies, more or less definitely expressed, the great humanitarian movement, the instinct of which gave such a fervent inspiration to Rousseau, which found a devoted apostle in Herder, which softened the arid formulas of Kant and Fichte by the promise of a glorious future for the race, which has blended with the highest philosophy and poetry of the present age, which has fired the master-spirits of the world with quenchless fervor, and which, in another form, is now everywhere at work in the hearts of the people, and with "fear of change perplexing monarchs." Among social reformers by profession St. Simon and Fourier regarded the Sovereignty of the Individual as the ultimate end of a true social order. Differing from each other and from the author of this volume as to the methods of its attainment, they agree in the supremacy of man over institutions as the true destiny of the race. The same idea has been elaborated, we need not say, with rare force of logic and eloquence, by our friend Henry James; and, though less directly and consciously, is the dominant thought in the most valuable writings of Dr. Channing and Theodore Parker. We do not call in question the fact that Mr. Warren has drawn his system from his own mind. In that sense his claim to originality will stand good. There is no reason to suppose that he owes it to foreign suggestion. But he exaggerates his own share in its promulgation. He is by no means the exclusive herald of an idea with which the age is fermenting.

We have said that the possession of property is essential to the sovereignty of the individual. In this statement we find the refutation of Mr. Warren's second principle, that "Cost is the Limit of Price." According to this theory, equal amounts of labor are made to balance each other, without regard to the value of the product. Equitable Commerce, it maintains, is the exchange of the results of equal labor, as virtual equivalents. A commodity which has cost you the labor of an hour is to be exchanged on equal terms for one that has cost me labor to the same amount of time, irrespective of the utility of the product to either party.

Now we utterly fail to perceive the connection of this principle, with that of the sovereignty of the individual. On the contrary, we are persuaded that they are in irreconcilable antagonism.

The sovereignty of the individual is secured only by the guarantee of individual property. Universal freedom depends on universal ownership. But the right of

property is based on the right of the individual to the products of his labor. If there is an intuitive principle in the science of society, it is this. Just in proportion as this natural right is set aside, the individual loses one of the most important elements of sovereignty. We do not say that an individual, or a society of individuals, may not waive their exercise of this right, for the sake of another order of considerations. For instance, I yield the rigid application of the principle, in behalf of social charity. I assent to the arrangement by which a portion of the products of my labor is assigned to the child, the sick, the infirm, the aged; but this is a voluntary act in obedience to my conviction, that the strong ought to share the burden of the weak. It is not enforced by the law of natural justice, in the distribution of products, but adopted as the dictate of benevolent sentiment. Or I may belong to an industrial association, consisting of various branches of industry, and organized on the plan of dividing the aggregate product of labor, according to the amount performed, instead of allowing each individual to enjoy the actual, specific product of his labor. But this, again, is a voluntary abdication of a natural right in the interests of social unity. It is prompted by the sentiment of friendship, a desire for an equality surpassing that of nature, or by other motives, no matter what. No one can pretend that it is the result of a scientific analysis of the methods of industrial repartition. In like manner, I can conceive of a society founded on the principle of "Cost the Limit of Price," as laid down in this volume; and though I should not be sanguine of its success in producing integral harmony, it might be attended with advantages so far superior to the present order, as to justly challenge a fair trial for the experiment. But this admission does not countenance the scientific accuracy of the principle; for which we find no valid reason set forth by the author, and which, in our opinion, is at war with the natural right of the individual to the products of his labor.

It follows from this right that my title to the products of my labor is good against the world. No man gave it to me, and no man can take it from me. It is not the result of any legislation of monarch, parliament, or congress, not determined by the vote of any majority, but the enactment of the supreme and divine law inherent in the organization of my nature. But if the product of my labor is my own, no one can decide the terms on which I shall part with it but myself. The right of exchanging it at pleasure is involved in the right of ownership. The attempt to establish a compulsory law for this purpose is a gross violation of my acknowledged sovereignty. This view, we think, is fatal to the theory in question, apart from the practical inconveniences that would arise from its application.

We have admitted that the right of the individual to the products of his labor may be set aside or suspended by arrangements to which he gives his voluntary assent. But this does not militate with the scientific validity of the principle. In Communism—of which Mr. Warren's system is one form, in spite of its pretensions to exclusive individualism—it is renounced in favor of equal distribution,

for the sake of absolute equality. Integrating the society as one man, Communism distributes the aggregate products to the aggregate mass. In Association—which, be it well understood, is heaven-wide from Communism—the principle is waived in favor of a graduated distribution of products, for the sake of integral harmony, proceeding from graduated inequality. In the system of Mr. Warren, which makes “Cost the Limit of Price,” the principle is renounced in favor of an arbitrary arrangement, which, as far as we can see, has no foundation but in the fancy of its inventor. If, in one hour, A produces an article which has ten times the value—measured by its adaptation to supply human wants—of one produced in the same time by B, the parties are bound to exchange them, if exchanged at all, on perfectly equal terms. The absolute ownership of the article is thus destroyed, by an arbitrary restriction on the process of exchange. Could there be a more flagrant violation of the Sovereignty of the Individual?

Mr. Warren argues that, making value the limit of price is identical with the maxim of trade, that a thing is worth what it will bring, and that hence it is productive of all the evils due to the “system of civilized cannibalism by which the masses of human beings are mercilessly ground to powder for the accumulation of the wealth of the few.” But this is a fallacy, arising from losing sight of the distinction between mercantile value and absolute value. The mercantile value of a commodity is quite a different thing from its absolute value. The former is determined by several external elements; the latter, by intrinsic qualities. The mercantile value, or the market price of an article, depends on the law of demand and supply, on the prevalence of speculation, on the plenty or scarcity of money, and numerous other conditions irrespective of its absolute value. This is decided by the adaptation of the article to the satisfaction of human wants. Setting aside the mercantile value, then, as factitious, we contend that the adjustment of price, according to absolute value, as one element in the problem, is necessary to the maintenance of Individual Sovereignty. The product being the property of the producer, and its value dependent on its intrinsic qualities, his natural right is defeated by limiting its price to the cost of production. This must be one element, it is true; but another, and one equally essential, is its absolute value. From these elements the price must be decided by the agreement of the parties. A basket of strawberries and a vase of flowers may be produced by the same amount of labor, but it does not follow that they are exchangeable values; their relation must depend on the tastes of the parties in the trade; if I am willing to give three baskets of strawberries for a vase of flowers, or three hours of my labor for one of yours, it is an equitable transaction, and no arbitrary arrangement can prevent it without infringing the liberty of the Individual.

The reverse of this is implied in Mr. Warren’s system, and the presence of this fallacy vitiates much of his reasoning. If the same amount of labor, in different cases, does not produce the same product, it follows that unequal products must

be exchanged on equal terms. At first blush this is contrary to equity. Nor does Mr. Warren succeed in making out a reconciliation. He says, indeed, that the genius, skill, facility of execution, or what not, which makes the labor of one man more productive than another, is a natural gift, and must be paid like all the gifts of nature, that is to say, not paid at all. But this is begging the question. Genius and skill are no less indispensable elements of production than muscular force, and no scientific reason, as far as we know, has ever been alleged, why the latter should receive remuneration and not the former. If the agencies of production are to be remunerated at all, why should not the whole of them be remunerated? On what principle is the selection made? Shall the brute force which is devoted to labor be entitled to the product, while the skill which directs and utilizes that force is deprived of its share? This, it seems to us, so far from sustaining Individual Sovereignty, tramples it under foot. The Communists say that the products of labor shall be distributed, not according to the amount of labor, but equally, irrespective of labor, or at least, if a difference is made, it shall be according to the wants of the individual, not according to his industry. Very well. This may be benevolent, but it is not scientific. It proceeds from the law of friendship, not from that of distributive justice. Mr. Warren, while claiming to sustain individuality, approaches Communism, which is the grave of individuality. The Communists set aside all the elements of production as the basis of remuneration. Mr. Warren sets aside all but one element, and yet claims to be at the antipodes of Communism. The Communists are consistent at the expense of individuality; Mr. Warren saves individuality at the expense of his consistency.

“So much of your labor as I take,” says Mr. Warren, “so much of my labor must I give.” But suppose that one hour of your labor gives a product of ten times the intrinsic value of mine, shall I pretend that an hour of my labor is an equivalent for an hour of yours? Who is to reap the benefit of the difference in value—the individual producer, or the great body of producers? If you say the individual producer, you renounce the principle that cost is the limit of price. If you say the great body of producers, you take the ground of the Communists. But this is to surrender both the principle of individuality and that of the scientific distribution of products.

“Every individual should sustain as much of the common burden as is sustained by anybody on his account.” True; but how is the share of the burden to be measured? By the time of labor, says Mr. W., including its difficulty and disagreeableness. By the useful effect of labor, says the common sense of mankind, except in the Communists, who sacrifice distributive justice to the sentiment of friendship. Suppose a field of grain is to be harvested, where the growth is uniform, as well as the facility of labor; does the skilful reaper fail to sustain his share of the labor, because he accomplishes as much in one day as the bungler does in two? If he performs an equal amount of work, shall he not take his own time for its perfor-

mance? On Mr. Warren's theory, the skilful reaper and the bungler must work through the same length of time, without regard to the useful effect of their labor, in order equally to discharge their obligations to each other. But this is sheer Communism, since it deprives the individual of the fruit of his labor for the benefit of the mass.

It will be seen that we regard Mr. Warren's theory of "Equitable Commerce" as a failure. We have no space to indicate more fully the objections to which it is liable. Instead of making "Cost the Limit of Price," we would carry into effect the great natural law of giving the producer the ownership of his products. The neglect of this is at the foundation of slavery, pauperism, crime, and the myriads of social evils which the philanthropist deplures, and which it is the function of social science to remedy. Let the products of labor, in all cases, be guaranteed to the producer; and the material condition of individual sovereignty will be fulfilled. This principle should be made the basis of all plans for social reform; and when it is wisely applied we shall see the "new Heaven and a new Earth," which is promised by the divinest instincts of man, and to doubt of which would be practical Atheism.

## REPLY TO THE TRIBUNE BY MR. ANDREWS.

*To the Editor of the New York Tribune:*

You recently bestowed three columns and a half upon a notice of "Equitable Commerce; a New Development of Principles Proposed as Elements of New Society," by Josiah Warren, with an incidental notice of "The True Constitution of Government" and "Cost the Limit of Price"—works upon the same general subject—"The Science of Society"—by myself. The criticism may be regarded as relating to the circle of principles advocated by Mr. Warren and myself rather than to either of us simply as writers, and hence I feel authorized to step aside from usage so far as to reply to the criticism, the conclusion arrived at, which I cannot but think an unfortunate one for you, being that Mr. Warren's theory of "Equitable Commerce" is a failure.

The books in question are not of the kind that can be profitably reviewed without being attentively read. The hurry and clatter of newspaper machinery are not, I am aware, favorable to the weighty consideration of those profound philosophical truths which lie much below the surface. If a critic, under such circumstances, should fail, therefore, fully to grasp the significance of a circle of principles so revolutionary, and yet so simple, so perfectly harmonious in their relations to each other, so absolutely indispensable each to the working out of the other, and so thoroughly responsive to every demand of exalted human aspiration after Social Order and Freedom and Harmony, it should not be charged on him as a defect of acumen, or of sympathetic affinity for truth, but merely to the want of opportunity.

You accept and adopt the first of this circle of principles, "The Sovereignty of the Individual," but simply put in a *caveat* against the claim of exclusive originality on the part of Mr. Warren. This question of originality is one of little importance, and one to which no man would attach less consequence than Mr. Warren himself. The important question is, "Is it true?" and on this we agree. Nevertheless, it is, after all, likewise simply true that Mr. Warren is the first man in the world clearly to define this idea as a *Principle*, instead of a vague aspiration, to fix it in a *Formula*, to settle its *Legitimate Limitation*, to propound it as one of the *Grand Practical Solutions* of the *Social Problem*, and to connect it with its Correlated Principles in this solution. It is true that the idea, simply as such, has "more or less distinctly" pervaded the writings of nearly every modern reformer, that it swells and palpitates in every aspiration after a better future, and inspires

even the blindest exertion after human emancipation. It is true that it is implicated remotely and prophetically in Fourier's formula of "Destinies proportioned to Attractions," as it is in the American Declaration of Independence, which affirms that all men are entitled to "Liberty and the Pursuit of Happiness"; but all this is a very different thing from the distinct announcement of the "Sovereignty of each Individual to be exercised at his own Cost," propounded as a scientific substitute for all Laws and Governments, and as one of the immediate working instrumentalities of Social Reform. So at least it seems to me. If it be not so, and Social Reformers of other schools accept and even claim the priority in the announcement of this Principle, as we accept and state it, why, so much the better; only don't let them get frightened when they discover the whole meaning of all they are committed to.

But in the next place you come upon the next of our principles in the circle,—namely, that "Cost is the Equitable Limit of Price." From this you dissent, on grounds which show that you have not fully grasped the idea of the manner in which Principles are appropriately put forth after all notion of authority or enforcement is abandoned. The gist of your objections is contained in the following statements:

We have said that the possession of property is essential to the Sovereignty of the Individual. In this statement we find the refutation of Mr. Warren's second principle, that "Cost is the Limit of Price." According to this theory, equal amounts of [equally repugnant] labor are made to balance each other, without regard to the value of the product. Equitable Commerce, it maintains, is the exchange of the results of equal labor as virtual equivalents. A commodity which has cost you the labor of an hour is to be exchanged on equal terms for one that has cost me labor to the same amount of time, irrespective of the utility of the product to either party.

Again :

Individual property is based on the right of the Individual to the products of his own labor. But if the product of my labor is my own, no one can decide the terms on which I shall part with it but myself. The right of exchanging it at pleasure is involved in the right of ownership. The attempt to establish a compulsory law for this purpose is a gross violation of my acknowledged Sovereignty. This view, we think, is fatal to the theory in question, apart from the practical inconveniences that would arise from its application.

This indictment seems to consist of three counts, stated or implied. 1. That we deny that the Individual is entitled to the product of his own labor. 2. That we repudiate, in some sense not specified, the possession of property, and the right of exchanging it at pleasure. And 3. That we attempt to establish a compulsory law to regulate price in gross violation of our own other fundamental principle, "The Sovereignty of the Individual." To all of these counts we simply plead not guilty, and put ourselves upon the country. Indeed, we are utterly unable to account for the fact that any man, having looked into our books, could have made them otherwise than by recurring to another of our principles, "Infinite Individu-

ality," which embraces and accounts for every conceivable diversity in the understanding of language.

The proposition that "the Individual is entitled to the products of his own labor," cannot, it is true, be accepted without limitation and modification. If I have employed my labor in hunting, catching, and handcuffing you, and reducing you to submission, it can hardly be assumed as an axiom of Social Science that I become entitled to the ownership of you thereby. So, if I employ my superior wit, or skill, or accumulative labor, which is power, in reducing you by more subtle means to a condition of servitude, the axiom in question cannot be adduced in justification. In order to entitle me to the products of my own labor, my labor must have been *justly* bestowed; that is, it must have been exerted *at my own cost*; that is again, I must not throw the burdensome consequences of my conduct on others. *Cost* enters, therefore, in the final analysis, into the question of ownership. But let that pass. The question more immediately up now relates to the exchange of products confessedly belonging to the parties. We admit, under the modification stated, that every man is entitled to the product of his own labor. Even this basis, chosen by our critic, excludes natural wealth, including uncultured or natural skill, from any claim for remuneration, and carries him headlong in our direction, as he will find when he has leisure to follow out his principle into its logical consequences.

As to the second count, that we repudiate property and the right of accumulating and exchanging at will, we simply deny. We only repudiate the right of *accumulating other people's property*; and as for exchanges, they are the burden of our whole doctrine.

As to the third, *the attempt to establish a compulsory law to regulate price.* This you regard as a gross violation of the Sovereignty of the Individual. Verily, so do we; and if we attempted anything of the kind, undoubtedly "Equitable Commerce" would be a failure. It is simply for the reason that we do nothing of the sort that it is not a failure, and is not, saving the judgment of the "Tribune," like to be. It is precisely for the reason that we hold the doctrine of the Sovereignty of the Individual that we are forever prohibited from establishing not only this, but any other *compulsory law*. But this does not, we apprehend, prohibit us from discovering, accepting, announcing, and acting upon *Principles*. It is precisely this difference between a *compulsory law* and a *Principle* which our critic has failed to apprehend, and which the world sadly needs to appreciate. It is this misapprehension which lies at the bottom of the hasty decision he has rendered upon the System of Principles brought to his attention, which being rectified, the decision itself goes to the ground as destitute of any support or validity. As this is the hinge of the whole matter at issue, therefore, let us endeavor to make it a little clear.

We do not deny your right to the product, and the full product of your labor. We allow you to retain the possession of it as long as you choose. Nay, further,

if you determine to dispose of it, we do not require nor insist in any manner upon your disposing of it otherwise than upon any terms that you choose, if you can find a purchaser. We do not oppose a feather's weight to your entire freedom. We commit no encroachment upon the fullest exercise of your Individual Sovereignty. We can not do so consistently with ourselves. We admit your full title to the freedom, first, of not selling at all, and then of selling for any price, no matter how great the hardship to the purchaser. In other words, you are entitled to the freedom of doing right or wrong, for the better or the worse, with what is clearly your own. This leaves the question, however, of *what it is right or wrong for you to do*, entirely open to be settled, further on, by other principles — but to be settled still solely *by and for yourself*, with no foreign interference whatsoever. Is it not possible that being thus entirely freed from compulsion, and thrown entirely upon yourself for a decision, you may wish to know *for yourself* which is the right and which the wrong principle upon which to carry on your exchanges — which will place you in harmonious, equitable, and the most truly advantageous relations with your fellow-men; which will bring you into antagonism with all the world, confusion, general insecurity of condition, and prevalent wretchedness. Will the man who shall communicate that knowledge to you thereby commit any breach of your Individual Sovereignty, provided he “adapts the supply to the demand”? If you are desirous of knowing the laws of health, and I make you aware of the Principle of Physiology which demands the ventilation of houses, is that “a gross violation of the Sovereignty of the Individual”? If I undertook to compel you to construct your habitation upon a given plan, even for your benefit, I admit that it would be so; but, is simply communicating the knowledge to such as want it any encroachment? If a dozen individuals, operated upon by such knowledge, voluntarily, in concert or separately, enlarge their windows or otherwise modify their residences to insure this desirable end, is there any surrender on their part of their Individual Sovereignty? Yet to assert this would be precisely equivalent to the fault found with our circle of Principles, by the “Tribune.”

It does not follow, because I have the right, and every other man has the right to the products of his labor and to the liberty of retaining them forever in his own hands, that it is, therefore, either right or best that all men should retain all their own products, and that there should be no commerce whatsoever. Neither does it follow, because any man has the right to the freedom to sell his products in any manner that he pleases, that it is, therefore, either right or best that he should sell them upon the very worst principle that can be conceived of. It can not be rightly said that any man has a right to do wrong; but every man *has the right to the freedom to do wrong*. In other words, he has the right not to be interfered with in the exercise of his own judgment of right, although it may lead him to do what all the world pronounce wrong, provided only that he acts *at his own cost*, that is, that he do not throw the burdensome consequences of his acts on others.

Having thus completely disposed of the charge that the "Cost Principle" is *per se* an infraction of the other Principle—"The Sovereignty of the Individual"—the question returns, what is the *right Principle* to regulate the exchange of products between man and man? I ask this question, not for the purpose of enforcing that Principle compulsorily upon you, but for the purpose of satisfying the intellectual and moral attributes of *my* nature. You ask it, if at all, in the same manner, for yourself. In reply, we have placed before us two different Principles; one, that of the exchange of equivalent Values or Benefits; the other, that of the exchange of equivalent Costs or Burdens. One is the *Value Principle*, the other is the *Cost Principle*. The one now prevails in the world, the other we contend for—not, be it remembered, to enforce it upon any body, but as the true or right thing. I have found no less than two hundred and fourteen pages absolutely requisite to set forth, in the most condensed manner, the parallel between the two. I can not repeat (in a newspaper article) what I have thus said. I can not conceive how, having read the book, you could simply repeat the old theory, the wrong, the outrage, the civilized cannibalism of which are too patent to be either disguised or palliated. It is equally inconceivable how, having read the book, you could reject the simplicity, the obvious truth, and the high harmonic results of the Cost Principle. We may, perhaps, seek for the solution in the radical misconception into which you had been betrayed by haste, and which I have endeavored to rectify.

Not having time or space here, then, to expound or defend the Cost Principle, permit me to conclude, dogmatically and prophetically, by affirming somewhat in relation thereto. It is nothing less than the grand reformatory idea in commerce, corresponding to the Protestant idea in the religious world, and to the idea of Self-Government in the political; and inasmuch as "Commerce is King," pre-eminently so, in this age, it is the Grand Idea of the Age. It is now in its infancy. Many a man who will cast his eye over this discussion will hardly know what the words mean. "Cost the Limit of Price," will be to him a jargon of terms. Nevertheless in those words is contained the Most Fundamental, the Most Potent, and the Most Revolutionary Idea of the nineteenth century; a watchword of Reform which comes not humbly, saying, "By your leave," but with power, saying to the capitalist, "You must." By means of it, the rendering of justice to labor is no longer to be a matter of Grace, but of Necessity. It is an idea, too, which is to permeate the public mind without bluster, without agitation. Already the organization of Equity Villages is going on with a quietness which leaves them to be sought for by those who have a demand for truer relations among men, and with a real success which will dispense with all criticism at an early day. The time is not distant when the fact that a leading Social reformer and reviewer pronounced the Cost Principle a failure, will be quoted among the Curiosities of Literature.











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