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THE EFFECTS OF CONSUMPTION OF WEALTH  
ON DISTRIBUTION.

One of the first things the student of economics learns is that the end of economic action is the creation of "Utilities." Under this clumsy expression is concealed the conception that the material aim of all sorts and conditions of workers is to rearrange the matter and guide or balance the forces which constitute the world, according to a distinctively human plan, and with the end of satisfying the desires of human beings. A wise teaching of political economy would linger over this : would dwell on the immense changes which civilization is making on the physical environment, and on the reflex changes which this altered environment is making on society ; till the student was thoroughly possessed with the idea of the almost infinite adaptability of the universe to man, and of the steady acceleration in the rate of its actual adaptation. But, unfortunately for the student, he is, as a rule, no sooner introduced to this lofty conception than he is hurried past it by the necessity of measuring the results of

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economic action. Without much warning the wide word "utility" is put aside in favor of the word "value." Then he is told that there are two kinds of value, but that economic science has only to do with one of these—value in exchange. And generally, before he has adequately grasped the conception of value in exchange, where all forms of wealth are put in the balance against each other, this expression in turn is translated, for convenience sake, into the narrower and more manageable word "price," where all forms of wealth are put in the balance against one selected form and expressed in terms of it. Thus, in all probability, he has scarcely shaken himself clear of the vulgar opinion that money measures wealth before he is brought back to it—although now in a limited and scientific form—and seldom has occasion to return, through the still limited conception of "exchange value," to any closer study of the lofty conception with which he started. All the while the last word in political economy is not value, but Utility; and the constant striving of economic progress is towards taking commodities out of the category of values, and making them utilities, like the rain and the sunshine.

This tendency to lose sight of the true end of economic striving is accelerated once the student plunges into the sphere of distribution, where incomes are necessarily considered relatively to each other. In face of the arithmetical fact that Income is a huge loaf of which, if one class gets more than half, another class must get less, people are apt to forget that less than half a loaf may be a very good meal—provided the loaf is large enough—and many never grasp the truth which Mr. Walker puts so well, when he says that there are gains which no one loses and losses which no one gains. It is not, then, quite to be wondered at that those dangerous people who know a little economics never quite get beyond the idea that there is a constant and universal collision of interests between the various classes of income receivers, and see something inevitable, if not providential, in the unequal lots of those who work and those who wait.

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And thus it is, I think, that that order of teaching which begins with value before the conceptions of utility and wealth have been adequately grasped, is to blame for the kind of contentment with which some persons look upon the inequalities of remuneration.

On the other hand, those whose studies have led them to dwell greatly on production—those, for instance, who read much German economics—and who, consequently, think most about the nature and increase of wealth, are the most dissatisfied with the present manner of its distribution. While quite aware that the conditions of all classes have very greatly improved during the last century, they are not satisfied that the condition of the masses has improved in anything like the ratio of the richer classes. And, further, they are not satisfied that the present methods of distribution are such as can last. Like Mill they think that “the industrial economy which divides society absolutely into two portions, the payers of wages and the receivers of them, the first counted by thousands and the last by millions, is neither fit for nor capable of indefinite duration.”

It is not, perhaps, too much to say that almost every economist is just now engaged on the subject of distribution; restating the problem, or criticising and amending old theories, or applying old laws to new fields. Apart from a socialist reconstruction of society, where distribution might be based on wants or on sacrifices, I think I am not wrong in saying that most modern thought on this subject is on the line of working out a distribution according to Product.

Distribution of income according to product created, certainly seems, on the face of it, a distribution according to reason. In the case of wages, it would seem as if the claim of the laborer to receive the wealth he produced, if not ideal from all points of view—seeing that the members of the human family are so variously endowed with capacities—is at least a fair claim. No one doubts that the laborer, in normal circumstances, is worthy of his hire, and, as we say, “earns” his wages: that is, he produces something for which his

income, his wages, is held equivalent. It would seem, too, as if the other forms of income were based on a similar claim. In the case of Land, the acknowledged theory is, of course, that rent, the income of the landowner, is paid him because his land has certain productive powers superior to at least part of the land in cultivation. And as regards the third factor, Capital, if machinery be taken as its type, the fact that machinery steadily tends to replace labor seems to prove—what the ordinary man scarcely thinks requires proof—that capital is productive; has, at least, the productive power of the labor it replaces, and that the income of the capitalist is the equivalent of the wealth produced by capital.

It is in fact so reasonable a claim that many have spoken as if it were actually the ruling principle of distribution; as if the various incomes of Wages, Rent, Profit, come from and correspond with productive powers in labor, land, and capital.

It is against this assumed correspondence between income and wealth produced that Socialism has directed its fiercest attack; and it is to this attack principally that we owe our recognition of the fact that, under modern conditions, production of wealth is not necessarily a source of income, and that, conversely, the fact of income being obtained is no proof of its being earned. The Socialist proof, however, is not one with which many of us will agree. Taking its stand on one part of the Ricardian theory of value, and ignoring the other, it works out its economic system from the fundamental proposition that Labor is the sole source of value. From this it passes to the second proposition that labor is the sole measure of value. If these two propositions are accepted, it scarcely requires proving that rent and profit are produced by labor, but pass, under the social and legal arrangements of our times, to the owners of land and capital. If labor is the sole source of wealth and value, all incomes except wages are gained at the expense of labor.

The indefensible point of this is, of course, its account of value. In the analysis with which political economy begins,

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the economist has to follow the lines laid down in the world of economic persons. The "value" of economic science must be what men call, and think, and will recognize as value, and not what it would suit the theorist to call value. The "labor-value" of Socialist theory does not meet this requirement, and at least one great economist, Professor Wieser; does not think it would meet the requirements even of a communist society.\* Value is not the easy thing it is in Socialist theory. Its origin and measure are not decided by the consideration that labor, rightly applied, can produce valuable things. Labor expended is merely the symptom that value is expected—not its cause. What we can say is, that labor is economically employed when making valuable things. What we must deny is, that any amount or kind of human labor will give value to what the world, as we know it, does not wish and will not have.

All the same, the conclusion to which Socialist theory has given prominence remains. Of the argument that the factors of production and the sources of income are not identical, we are fain to say, with Dr. Johnson, "We admit your conclusion, but you must allow us to find you the premises." In the light of the current theory of value—the foundations of which were laid by our own Jevons—the pre-eminent place of the human factor is modified. The old opinion that income as a whole is due to land, labor, and capital, is confirmed to this extent; that, as all these do co-operate in the making of product, the product is economically "attributable" to these three factors—so far as they are not to be had in superfluous amount.† Thus, in opposition to Socialism, it is currently held that the three classes of personal income have their source in production; that capital and land are economic, and not simply legal, sources of income.

\* See his "*Natürlicher Werth*," Vienna, 1889.

† The importance of this is that there are a great many factors which could not be done without, and yet no part of the return is *economically* attributable to them; such as light, air, heat in the growing of crops, mechanical forces working through machinery, and so on—the reason being that we do not "economize" the superfluous.

But suppose this proved, all that is established by it is : that the contribution of land, the contribution of capital, the contribution of labor, entitle economically to a portion of the joint produce. It leaves us free to agree with the chief contention of Socialism that modern conditions do not assign to each factor the amount of wealth which it produces. The question now is : Can we assign to each factor its own portion of the produce ?

This problem I must content myself with merely stating. It arises principally from the visible failure of the working classes to participate directly and adequately in the increased wealth of society, and its interest chiefly centres in the subject of wages. In violent reaction against the classical school, supposed to be too sympathetic with capitalists and landowners, Socialism, as we saw, claims everything for labor. It had, it must be confessed, some reason for this in the weakness and ambiguity of those who tried to explain the exact function of capital in production. Since the great work of Boehm-Bawerk and of those who follow Von Thuenen, however, this justification no longer exists. But allowing the claim of capital to *some* share in the produce which it co-operates towards, the great question which now meets us is, How is the contribution of each factor to product to be measured ? We have granted that it is a fair claim that the laborer obtain all that he himself produces. The problem is to find what it is he does produce. For labor cannot produce *in vacuo*, and when it works in co-operation it works with economic factors that are valuable, and has owners who will not give the co-operation of their goods for nothing.

Our old economic friend and guide, Robinson Crusoe, gives us no assistance here, for, thanks to the insistence of the Austrian school, we cannot now forget, as I am afraid we used to forget, that while land, labor, and capital co-operate to produce a product, what is divided out into shares is not the seamless garment of product, but the *value* of that product. This is the statement of a problem whose difficulties can scarcely be overestimated. Of many attempts at

solution, I may refer specially to the latest works of Professor J. B. Clark and of Professor Wieser as particularly valuable.

But the solution of this problem would not exhaust the difficulties of distribution according to product. The problem we have just stated has to do with the *share* which each factor shall have in the total value of a particular product. There is another problem which concerns the total value itself. If, *e. g.*, the object of distribution be represented as an apple, the amount of enjoyment to be had from the apple depends on two things: the shares into which the apple is divided, and the size of the apple.

Here it is that the closer study of value peculiar to our times has brought us in sight of special difficulties. The one which I now emphasize is that value does not go *pari passu* with quantity or quality of product; not even always in the same direction; but takes paths of its own.

Production of value is not like production of potatoes, which the peasant can eat if he cannot sell. Production, under modern conditions, is so far a speculation. It does not bring a predetermined value with it. It produces in anticipation of value. What every one would desire is that well-directed labor should always have value—that is, should always find a value for the useful products it creates, and that labor expended should not be balked of its reward, although fashion change and turn its back on the indication which it gave to production. But we must not let the wish be father to the thought that value, as we know it, is regulated by consideration for the laborer. When, for instance, the death of a royal prince plunges London society into mourning, the bitter cry of Regent Street tells us of the widespread loss of value caused by a mere court decree; a sudden decrease of value that comes first on the retailers, but passes, through merchants and manufacturers, down to the working classes. For nothing can alter the fact that the world holds value in its hand, and practically refuses to recognize or reward the work where it does not wish the product. If

land, labor, and capital co-operate to make a product, and the value of that product, when brought to market, is declared by the indifference of the public to be nothing, the share of labor is nothing; and if labor were paid by product, wages would be a share in the loss.

It comes to this, that labor, land, and capital all put something into the product: they create a utility. What they draw out again, however, is something that does not depend on what is put in. It is like a solution whose action is not fully known; so that the chemist puts in his ingredients expecting that they will precipitate into crystals, but not absolutely sure that they may not disappear in forms he cannot control. What misleads a good many economists, I think, is that it is not easy to divest ourselves of the idea, obtained from a partial survey of ordinary markets, that a producer always makes to sell at a fixed price list, whereas, over the field of industry, he makes for a price which is determined by the changing wants of human consumers and the changing supply of human producers. Even in the case of articles "freely produced," where value most closely corresponds with cost of production, the price list is not one which can be worked towards for long periods. The competition and combination of capitalists—the latter of which is as much a normal condition of modern industry as the former—make market values so unsteady that, except in some few industries where monopoly has a large place, wages could scarcely be changed in correspondence with changing value. For instance, during the last twenty years the retail price of cotton thread has varied from a penny to twopence per spool of 200 yards—that is, 100 per cent., following, more or less closely, the variations of manufacturers' prices. All this time the wages of women workers, who constitute the great majority of operatives in the thread mills, have scarcely varied. What is true of these workers is probably true as regards the whole field of women's labor; in spite of the enormous changes in the price of fabrics made by women, their wage has neither sensibly risen nor fallen.



This, first of all, shows how little attempt has been made, in one very large field of industry, to adjust wage to product. But it also suggests that, in times of rapid change of prices, it would not be possible for the manufacturer to alter the scale of his wages to suit the varying value; nor would it be advantageous for the workers that he should do so—even if combinations of workers would allow it.

This, then, is one special difficulty in paying according to product. It is the common difficulty of remuneration; the difficulty of the employer as well as that of the workman. So long as the capitalist takes this risk of changing value—"buys out his partners," to use Professor Clark's happy phrase—he must pay his employés a stipulated wage well within the limits of safety; and, so long as wages are any way near the subsistence level, it is perhaps desirable that the wage earners should not take any part of that risk, even if they do not adequately reap the advantages of fortunate speculation.

A second difficulty is one so keenly felt by practical men that I am somewhat surprised it has received so little consideration from economic science. It arises in the constant progress of invention and organization as affecting fixed capital—fixed capital, be it remembered, being the greater part of manufacturing capital, and manufacturers being the employers *par excellence*. Briefly it comes to this, that the last capitalist "sets the pace" for his competitors. It is most marked, perhaps, in shipping, where improvements seem most speedily to put older boats out of the running, but it extends, more or less, over the whole field of manufacturing. It is the commonest of experiences that, however well organized any branch of employment is, the newest comer, if he be backed by large capital, can undersell the others, make a profit, and, probably, pay the highest wage. And here, too, the Trade Union plays into the hand of the enemy. Unionism is always ready to profit by the teaching of its enemies, and condemn to extinction the employer who cannot meet competition. "It is expedient that one man

should die and that the whole nation perish not," and the demand of the Trade Union is that the rate of wages shall be that paid by those best able to pay it.

This seems to me to add the most hopeless element to the question. Many of us have been looking forward to an extension of co-operation or profit sharing as likely to solve the worst problems of wages. But these experiments are not likely to be made either by millionaires or limited companies. The class from which we might expect them is that of the private employers whose traditional relation with their workers has been one of good feeling. Now, the position of the majority of such employers, I am afraid, is that they are engaged in a life or death struggle with competitors of larger capital and less humanity. Co-operation or profit sharing will not help us here. If value of product is to determine the workers' wages it must also determine the employers'. In this case the value of the product has diminished, and there is less to divide between the employer and his men. Making the worker a partner will not increase the value of the product, and the worker suffers either as a wage earner or as a capitalist. It will be a bad introduction of profit sharing if it goes with a reduction of wage; it will be a bad outlook if it goes with a reduction of profit.

These, then, are two special difficulties that some knowledge of the practical world puts before me as real difficulties in the way of paying labor a wage proportionate to value of product. If we pin our faith to this as the only equitable criterion of wages, we may have to face conclusions which we are not, I think, quite prepared for. Political economy has been sufficiently condemned for the countenance it seemed to give to the theory that the level towards which competition tends to drive wages is the level of subsistence. This seemed at worst to guarantee that a living was secured to any honest worker, and subsistence constituted a minimum above which wages might rise indefinitely. But, according to the new theory, a just wage would be the share of value which the worker produces. Now, in certain cir-

cumstances not very remote, the share of value attributable to some of the laborers might be indefinitely below subsistence. On the whole I am afraid that, under modern conditions, the human worker tends to sink into comparative insignificance beside the work of machinery—which, we must not forget, is no less than the work of natural powers on lines we trace for them—and that not even the divine spark in the human worker is enough to balance the material forces which man has called in to aid him. If we could get a machine to lay eggs, I am sure that the public would give as much for machine-made as for country-laid, and if machinery can do man's work, its work will get value just in proportion as it meets human want and is not to be had in superfluity.

All that I have said of the difficulties of apportioning wages by value produced is by way of introduction to what follows. Although we should fail to find such a basis, we have not, I think, exhausted the possibilities of a better distribution of wealth. It seems to me that the effects of our present ways of living, and the possible effects of an instructed expenditure, have not been adequately analyzed. It is the further object of this paper to inquire what consumption of wealth is: what are the effects of our ordinary consumption on accumulation and distribution; and to suggest how a wise consumption might, to a considerable extent, relieve the laborer from the tyranny of bare wage earning.

Here I must remind my readers of certain fundamental doctrines more familiar to German than to English economics. All economic action has for its *ultimate* aim the ministry of "goods" in the satisfaction of human want. Of these goods there are two great classes: Commodities and Services. Putting aside the consumption service meantime—to return to it in its due place—the material end of economic action is the finished commodity; the material good which is created for, and wears its life away in, the direct service of man. Following the indication given by

the various kinds and degrees of want, the commodity assumes different shapes at the hands of producers. Some are meant for the stomach, others for the back ; some minister to the senses, others to the intellect ; some are adapted for individual enjoyment, others are general conditions of social well being ; some are perishable, others are long-lived. Thus the loaf, the coat, the picture, the book, the carriage, the car, the firework, the house, may be taken as types of this consumption good.\* But whatever the shape it takes, the commodity has its end and purpose in this consumption. From the moment when the laborer breaks the ground down to the time, it may be years after, when the finished article finds its place in the shop window, the whole process of industry is guided by the consideration that the final product is meant to wear away its life and perish in the direct service of man. The producing man is, essentially, the servant of the consuming man, and the final direction of industry lies with us, the consumers.

But the striking fact remains that, under modern conditions, the immediate direction of industry has been taken out of the consumers' hands. There is a point of time when it is in our power, as a community of consumers, to guide labor and capital into certain channels, with the view of turning out certain consumption goods to our order ; and we occasionally exercise this power. There comes a time when the labor and capital of years, or perhaps of generations, have been put into final shapes that admit of only one use, and that, it may be, exposed to special dangers of ill-timed or foolish use—an extreme type of this being a collection of fireworks. And, midway between the two, there is a time when labor and capital have been sunk in certain channels where production can only follow lines already laid down for it, or lose the wealth sunk in laying down these lines. A good type of this is the Panama Canal, where the wealth

\* To prevent misunderstanding, it may be noted (1) that such things as railway lines, roads, buildings are (permanent) consumption goods as truly as loaves and coats are (perishable) consumption goods ; and (2) that many, if not most, consumption goods are also " production goods."

which might have turned many a wilderness in France into a garden has been sunk in the attempt to pierce a continent and bridle a climate, and the only thing to be done is to spend more or lose all that has been spent.

If we compare the amount of wealth that exists at any moment in the shape of finished consumption goods with that which takes the dynamic shape of a "loan fund" looking for productive investment, or of wealth already devoted to processes of production extending back and forward over years, we shall easily understand how modern circumstances have thrown the immediate guidance of industry, for the most part, into the hands of those whose business it is to use these great masses of wealth, the producing classes. Among these producing classes the merchant is the guide and regulator. The working man has only to do what he is set to do, and his employer works to orders given him; but the merchant comes in close contact with demand. His function is threefold: to follow the expressed wish of consumers as given in orders; to interpret the wish of consumers by ordering and holding stocks; and to tempt the wish of consumers. The important feature here is that the last of these has come to be the prominent function of the merchant; so that the great majority of goods are put in the shop windows and priced before the wish for them is awakened and the demand called out. For this result two circumstances are to blame: the huge increase of wealth, and the want of economic guidance—the two working into one another. We are long past the time when the great current of industry was directed to supplying the bare necessities of life. A very small portion of the productive power of any advanced community could now flood that community with such necessities. The industrial world to-day is producing to supply a level of wants that is steadily rising with civilization and culture. For this the labor and capital of generations are sunk in buildings, machinery, skill, means of transit, permanent changes of physical environment. This "producers' wealth," once sunk and immov-

able, the energy of its owners and borrowers is taxed to keep it in employment. It is not the case that, as one want is fairly met, capital and labor are transferred freely to meet another want. The mobility of abstract capital has its counterpart in the immobility of concrete. When a manufactured good has for the time satisfied one circle of demand, the constant effort of capital is to awaken wider circles of demand by reducing its price. Thus it is that producers not only interpret and anticipate the wants of consumers, but end by exciting wants, and so directly guiding consumption. So much is produced and waiting for us that we are seldom called on to order goods. We put money in our pocket and look at the shop windows before we become conscious of what we want. Forgetting that the industrial world is our servant, and, like any good servant, is only forestalling our wishes, we get into the habit of thinking that we have no responsibility for what we buy. Thus, what the consumer could not have escaped if he had kept the direct guidance of industry in his hands is avoided by leaving it in the hands of the producer—that is, responsibility. For our domestic servants we cannot avoid responsibility; we are impelled to see to their hours of work, the quality of their food, sleeping accommodation, conditions of labor generally. But when goods are offered us, we forget the claim of the unseen servant, and buy the goods without thought of the fingers which made them. Now, in this matter of the buying of goods there are two distinct responsibilities which must not be confused: one, responsibility for the conditions under which goods are made; the other, responsibility for their being made at all.

A slight awakening of the public conscience has induced some to ask if it is not possible to demand some guarantee that the goods we buy are made by workers paid decent wages, and working under healthy conditions. Not to mention the formal expression of this in the Consumers' League, we find a growing tendency to demand that government and municipal contracts shall be closely supervised.

But these efforts cannot go very far; they seldom get beyond regulation of the warehouse where the final stages of "making up" are passed; they can scarcely penetrate to the factories, fields, and mines where the immensely greater previous processes are carried through. But even if they did, and if we could have accurate knowledge as to how goods are made and wages paid, there remains the second responsibility; that of buying certain goods, and so encouraging their making. In other words, it is not enough for members of the Consumers' League to see that workers are paid decent wages if the commodities they insist on buying are—say, fireworks.

And in this we must, I think, take shame to our order. We cannot blame the merchant that the demand he interprets or tempts is a demand without knowledge, nor can we blame the consumer that he takes what is offered him, so long as the economist gives so little definite teaching as to the consequences to social wellbeing of our demand. Even if we have clear ideas on the subject ourselves, we are, I think, getting too much afraid of being considered "popular lecturers."

The serious fact is that the shape in which a community has allowed or directed its wealth to be embodied makes the greatest possible difference to the wellbeing of that community. As a good is, so must it be used. While it is wheat, the grain may be seed or it may be food. But once it takes the shape of the loaf, it has lost forever the possibility of being used as seed, and, moreover, if not used quickly, does not even remain food. The content of this little parable will become clearer as we proceed. Suggesting, then, that we consumers, as the people most concerned in the end, have a responsibility for the shapes in which wealth becomes sunk and, so far, fixed, and that society does not consult its ultimate wellbeing in allowing the merchant to interpret the "desirable" by the "desired," we go on to inquire what consumption means and involves.

It is sometimes overlooked that, between providing and

consuming wealth, there is an intermediate stage, expenditure of wealth; and that expenditure of income is by no means synonymous with consumption of wealth. When money comes into our hands, it means that a title or order is given us on the great magazine of the world's wealth. This order puts so much wealth at our command to do with as we think fit. As we know, the purpose for which wealth is created by man is that it may be used, used-up, and so come to an end as wealth. But this need not be its immediate fate. We may use our power—"spend" our money—not to destroy, but to maintain and increase. We may cast our bread upon the waters, to find it again after many days—not without interest. Somewhat unfortunately, perhaps, this is called "productive consumption." It is really mere change of shape of wealth; the throwing of wealth into solution in order to reproduce it in new combinations. It is a consumption that does not consume. In it the value of wealth is carried forward through all its changes, and, normally, is increased as it clothes itself in more desired forms. Its type is agriculture, where the crop secured one harvest is buried again in the earth and in the sinews of labor, to be reproduced next harvest, having meantime fed the laborers.

Or we may elect to transfer our title. Apart from gift and bequest, the most conspicuous instance of this is in gambling, where wealth simply passes from hand to hand; but, with more or less friction of consumption, the same is true of many forms of expenditure which partake of the nature of gift or gambling.

Or, finally, we may exchange our title for certain concrete wealth, and put that wealth to its ultimate purpose. Wealth, we must remember, is not mere matter and force; it is matter and force put in shapes to meet human wants. It is a human category. Man creates it, and according to the image in which he creates it does he destroy it quickly, gradually, or slowly. The economic history of a display of fireworks, for instance, is that the earth and man have



produced sustenance for a certain number of laborers; that these laborers have changed this sustenance into muscular and mental effort, and embodied these again in innumerable tools; that these tools, and the further labor which worked with and directed them, have been worn out in making a certain form of wealth indicated as valuable by being limited and satisfying human desire; that, finally, some one sets a match to this embodied labor and wealth, and in a moment it has gone clean out of existence, and mankind has got nothing for it all but the memory of a rather vulgar momentary sensation. The economic history of a public building, again, is that labor and capital have similarly been embodied, but this time in a form of wealth which fulfills its purpose best by sheltering successive generations of citizens. Between these two extreme types all consumption lies.

Now, all these three forms of disposal of wealth are forms of *expenditure*, but only the last of them is properly consumption. We might get a better hold of the distinction by thinking of it as destruction of wealth.

The curious thing is that it is very difficult for an individual to consume much wealth. Bonfires and fireworks apart, the most reckless have a difficulty in doing very much more than transferring their titles to others, who, in turn, have a similar difficulty in consuming. The Jubilee Plunger, for instance, gave us an instance of how quickly money may be spent, but his spendthrift course only meant that his wealth passed rapidly, and without much destruction, from a very foolish man to a number of people who, presumably, could not do much worse with it. What he really consumed and took out of the world was little more than the food he ate, the wines he drank, the clothes he partly wore, the coals he burned, perhaps, the horses he killed. It may give some people comfort to know that a Vanderbilt may spend his income, but that it is beyond anything but an immense conflagration to consume it.

Here, again, it seems to me that economists have not spoken with clear enough voice. They have said a great

deal in praise of saving and of "productive consumption;" very little as to what is praiseworthy or blameworthy in spending and "unproductive consumption." The consequence of such teaching has been that the rich man is considered to have done enough if he live within his income—that is, spend less than he might—and put the surplus into investments; some economists even telling him that he makes a "sacrifice" in doing so. He has scarcely been told that wealth may be better spent in wise consumption than in indiscriminate investment.

The next point in our subject is the consideration of the various categories of private consumption. From a set of books extending over some twenty years of my life, and detailing my private expenditure almost as accurately as the accounts of a bank, it may be credited to me that the categories I submit, and their contents, are not based on haphazard observation. The categories under which most private consumption may be grouped are these: 1. Food and drink. 2. Dress, including ornament. 3. Shelter, including furnishings and equipment of the house. 4. Transport, including travel and communication generally. 5. Education, including literature and art. 6. Recreation. We shall run over these, noting as we go the consequences of the particular form of consumption on wealth generally.

The most fundamental form of consumption is, of course, that on food and drink. These supply a want the satisfaction of which is necessary to life. In this consumption a man must be selfish. He must eat his cake, and, having eaten it, no one else can have it. And the wealth embodied in food and drink is as clean taken out of the world by consumption as the firework when the match is set to it. Fortunately, the want is a limited one. Nature has clearly enough indicated that, for complete health and joy of labor, man wants but little food and drink—how little, people will never realize till they learn to weigh the misery caused by over-eating and over-drinking against the momentary sacrifice involved in "putting a knife to one's throat"—and

nature has provided that little in abundance. From the nature of the case, then, all consumption on food and drink that goes beyond the sustaining of a healthy, full, pleasurable life is waste of wealth, where it is not worse. We need not, indeed, go the length of considering all consumption of this sort waste beyond that which makes the good worker. Let it be granted that happiness is its own justification, and that eating and drinking are pleasurable in themselves and conditions of social brightness and inspiration. What we have to fix our attention on is that all food and drink consumption involves entire and irrevocable and selfish destruction of wealth. It seems to me very often forgotten that the "little" required for healthy and pleasurable life may cost very dear. There is gluttony in cost as well as in quantity. The effect of consuming small amounts of rare and costly foods and drinks is the same objectively as that of consuming large amounts of cheaper provisions; it is excessive consumption of embodied capital and labor, and excessive deduction from the wealth of society. Once this is seen it will, I think, be acknowledged that the community as a whole pays dearly for the well-to-do Englishman's dinner. One bottle of champagne costs, roughly, as much as thirty bottles of beer. Both champagne and beer are terminal points of consumption. Granted that there is a peculiarly gratifying exhilaration afforded by the bottle of champagne, what has to be put against it is that labor and capital, transformed into beer, will give nourishment and exhilaration to thirty people, while the same amount of labor and capital, in the form of champagne, finds its end in exhilarating one person.

The vast field of possible waste here will be better appreciated if we remember how many trades this category employs. It involves the labor of butcher, baker, fishmonger, poulterer, grocer, greengrocer, milkman, publican and wine merchant, tobacconist, restaurateur, which in turn represent the innumerable industries that supply these retailers, stretching away back to the agriculture and mining

which gave them their raw materials. The fact deserves to be put plainly, that there is scarcely any form of consumption where excess is so plainly a robbery of a poor society as that of food and drink. And it does not seem too much to say that the great part of this consumption is of the order of the firework, leaving nothing behind but indigestion.

(2.) Next comes the consumption of wealth in the shape of Dress. Here entirely selfish consumption is not so easy as in the last case. A man may spend as much on clothes as on dinners, but he does not, by his personal wear, turn wealth immediately into ashes and vapor. When the first gloss of fashion is gone, clothes pass, by gift or sale, to others on whose backs they wear away another part of their lives; still appearing, years after, at the "jumblesale" or rag market; to perish at last in grotesquely appareling the very poor—perhaps after that to be reborn as shoddy, and pass through a similar life over again. Thus, on the face of it, this consumption is less of the firework order. There is at any rate more defence of excess here than in the case of foods and drinks. Clothes have an æsthetic mission as well as a utilitarian. It is not even economic to put a beautiful picture in a poor frame. The object of dress is not merely to keep out the cold. The dress of one sex at any rate is meant to show as much as to hide: a woollen stocking does not serve the same purposes as a silken one. And, again, there is no reason why a beautiful fabric should not wear as well as an ugly one. But, with all allowance for the just demands of beautiful dress, and for the factor we should be foolish to ignore, namely, fashion, it must be said that much of the dress made for the mistress is *designed* to be fragile, in order that it may not offend by reappearing on the back of the maid, or travesty Hyde Park by clothing Petticoat Lane. Where this is the case we have the champagne consumption again. Labor and capital, which might have permanently enriched the world, are sunk in the making of goods that have a life almost as short—if not as useless—as the firework. The field of

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consumption here covers the following retail trades, and determines the manufacture of their supply : tailor and dressmaker, draper, bootmaker, milliner and hatter, hosier, smallware merchant, etc. Under Dress we may include ornament, as presenting the same features in its consumption, and we shall, in that case, add to the above the trades of jeweler and the like.

(3.) In the third great category of necessities, Shelter, consumption is least of the firework order, and least allows of purely selfish use. Houses are built for the abode of successive generations. In his house, as a rule, no man liveth to himself. It is the casket in which he lodges his dearest treasures, and it serves its purpose best the more it is hallowed by old associations, and made the centre of a man's social life. Luxurious expenditure is justified here if anywhere ; for, by the necessities of the case, the use of the luxury is spread over a period and a circle, small or wide. But here again the possible abuse and waste is obvious. If the house is badly built, or built in a foolish situation, wealth is based on a foundation of sand ; and if the palace becomes the refuge of the recluse, wealth wears away in ministering to one life when it might have ministered with better effect to numbers. The field of consumption here is wide. It covers the productions of the architect, mason, carpenter, cabinet-maker, ironworker, bricklayer, plasterer, plumber, slater, bell-hanger, upholsterer, decorator, ironmonger, glass and earthenware merchant, and some others.

We may pass over the fourth category, that of Transport (under which I include public and private conveyance, the equipment and plant of travel, and also the immaterial transport of communication by post, telegraph, and telephone), and also the fifth category, that of Education (including expenses of literature and art), partly because of want of space to do otherwise, partly because the considerations of waste or economic use in them need no further elucidation. The possible field of consumption in maintaining private and

exclusive instruments of transport ; the increase of wealth that would follow increased consumption on education—considerations such as these will suggest themselves to any one who wishes to apply the canons given for the three former categories.

The sixth category, that of Recreation, is a very extensive one. It embraces the services and equipment—the environment generally—necessary for music-rooms, theatres, circuses, shows, balls, and the like ; and the many departments which may be grouped under the name of Sport, as golf, cricket, foot-ball, tennis, garden games, athletic games, boating, skating, cycling, fishing, billiards, shooting, hunting, riding, driving, archery, polo, racing, yachting, and some others. Of the necessary and legitimate place of sport in rational life there is no question. What we have to note is that its various forms involve very various amounts of consumption. The horse goes with the groom and the stable : the moor requires the keepers : the race course, the racing establishment. Here evidently there is room for any amount of socially unremunerative consumption. What one wants for the recreation we call sport is, generally the open air, exercise, and, probably, some degree of emulation. Those who live to work and unbend to recreate will find these, in company with other men, in chasing a ball over a waste piece of land by the seashore, or with the simple equipment of a walking stick or a fishing rod. One who has been brought up to the idea that the day is to be “got through” somehow, will cut out hard work for himself in a sport requiring, perhaps, a few hundred acres of moor or forest which must be cut off from other men’s use—some of these manikins actually accepting the monstrous proposition that the mountains of Scotland are to be inaccessible save to those who rent the moors which guard their foot. Here is the old case of the champagne and the beer—with the aggravated feature that so many sports are necessarily associated with the destruction of beautiful life, and so with deterioration of æsthetic and moral fibre in those who follow them.

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From the survey of these six categories of consumption, then, I think we get some very suggestive considerations. We see (1), that similar amounts of capital and labor may be embodied in forms that admit only of rapid consumption, or in forms whose consumption extends over months and years.

(2.) That, whether embodied in perishable or in permanent forms, the consumption of these goods may be selfish, or may spread its advantages over groups of consumers.

(3.) That, in some forms of consumption, man must be alone—his consumption excluding that of others—while in other forms he consumes best by calling in others to enjoy with him.

(4.) That, alike in unselfish and in selfish consumption, the individual may take out of existence more wealth than yields any adequate return to society in life, happiness or labor.

And the general conclusion of the whole is that, if consumers were guided by considerations of how best to consume for the interest of society as a whole, immense sums of wealth might be kept in the world that are now, thoughtlessly and without adequate return, taken out of it, and that other immense sums might give life and happiness to circles and crowds instead of to individuals and families.

It will probably have been observed that while the first three categories brought before us chiefly the consumption of material wealth and its consequences, the latter have brought to the front a form of consumption which we have not yet discussed, viz. : our expenditure on personal services. It remains now to inquire what is the exact difference between the commodity and the service, and whether the word "consumption" applies to the use of the latter as well as to that of the former.

The truth is that there is some difficulty in keeping the two separate in economic consideration. Some, indeed, have reduced them to one, the service, distinguishing merely between the material service and the immaterial. The service

is an economic "good" just as the commodity is; it gets its value from human desire and from limitation of supply. In paying for a dinner you pay for the viands and you pay for the waiting on the same principles of value. It has its necessary place in our industrial and social organization: in the division of labor, while the great majority are set to make commodities, some are set to serve—either in the way of waiting and ministering to persons, or in the way of personally ministering in the consumption of material goods. And, like the commodity, it is a product: the servant is made to our order. The labor and capital of a community are constantly being transmuted into personal accomplishments and powers: schools, colleges, technical institutions, for instance, represent wealth and labor passing every day into the equipment of the student. A hundred pounds may make a piano, or it may make a player; may erect organ pipes, or perfect the vocal chords. A wise distribution of social wealth will sink so much in material commodities, so much in the skill of its servants. Taking his cue from the signs of the times a man will bring up his son to be a baker or to be a waiter; in either case the son will purvey the "good" which society wants. The end of economic action, as I said, is the production of commodities and services.

There are, however, two distinguishing features in the service. One, of course, is the much noted one that the service inheres in the human being who serves. Thus, every consideration of the servant has the dual task of considering man as a "mean" and man as an "end in himself;"—that is to say, the ethical consideration is never absent from the economic. The other is that the wealth spent in preparing for service is taken out of the visible and tangible and taxable forms of wealth: like coal and oil in the engine-room it is transmuted into power. Thus a rich society is conceivable which should consist of human beings capable of rendering very valuable services to each other, yet poor in material commodities. In a rich city you may have the Lyceum scenery and you may have the Lyceum acting; in a poorer



one you should not be badly off if you had only the Lyceum acting.

The service is a category of much wider extent than we are apt, at first thought, to imagine. It embraces not only private servants, but their public analogues. The coachman and yachtsman do for one family or group what the railway, tram and steamer service do for the masses—note, for instance, the significant word “railway servant”—and the carriage and the yacht are the equivalent of the railway, tramway and steamship plant. The gardener, the laundress, table-maid, sewing-maid have their counterparts in the parkkeeper, public laundry girl, waiter and warehouse girl. A recent novelist tells us that some of the Austro-Hungarian nobility still keep their private physician; and this reminds us that there is no reason why we should not, as in old times, have singing men and singing women in our households, except that we get our music better in the opera and concert room.

Now, if we look over our six categories we shall find that a great many of our services are inseparable from commodities. Consumption of food—what we might call “feeding”—is a joint consumption of material commodity and of services inhering in the domestic cook and housemaid who minister it. So it is with domestic servants generally; the consumption of “shelter,” for instance, is a consumption not only of stone walls and furnishings, but of the staff who maintain the house; the services of coachman, equally with those of railway servants, are inseparable from their corresponding plant in the consideration of “transport.”

But when we come to the pure services of the latter categories, especially the sixth—that is, services which leave no material product and are merely exertions of the human being—we are apt to be confused. At first sight the wages we pay these servants seem a mere transfer of wealth, an expenditure not involving a consumption. When we spend a guinea on a hat we get the hat to wear it out or not; when we spend that sum on a stall at the opera we come away

with nothing in our hand. Is this a mere transfer from one pocket to another? The answer is that it is not. We come away from the theatre with nothing because we have already consumed what we paid for. Our sovereign bought, not a commodity, but a service, and, that service given, the "good" is consumed.

At the risk of being tedious this must be made quite clear, as it involves serious issues. I have in my possession, say, a sovereign. Rightly considered, this sovereign, as we know, is a title to any wealth in the community up to a certain value. If I exchange the sovereign for a dinner I have in front of me a certain amount of perishable wealth, while the restaurateur now has the title which was mine. For the moment there is no change in the total sum of wealth, only an exchange of equal values. But when the whole economic transaction is completed—I mean that for which the purchase was made—I have eaten the dinner; have consumed a sovereign's worth of wealth, and the world is poorer by that amount. Or I may exchange my sovereign for a stall at the opera. For the moment I have before me, not a meal, but a feast for the gods. At the end of the transaction the sovereign, with its command over wealth, is in other hands, and the world is poorer by the wear and tear, bodily and mental, of a body of singers.

It is unusual, of course, to think of the services of human beings in this way. It seems to conceive of the singer as a kind of musical box which wears out with use. But, from the economic point of view, this is quite correct. If the singer were a slave, he, and not his service, would be the commodity. Being a freeman it is his service that is the "good." It is all the same whether the artist paints and parts with a picture, or puts the picture before us in himself; in both cases we purchase goods that perish with the using. If it seems strange to speak of an exertion of the vocal chords as wealth consumed, we have only to consider that man is not the only machine which improves with use up to a certain age. Live-stock, for instance, is a case in point;

but even machinery improves as it "settles down to its work." But whether there is wear and tear of substance or not, the working life of a human being consists of a series of services, which finished, the man is worn out; we pay for his work whether it sets the blood bounding through his veins or brings the enfeebled heart a fraction nearer its break down. It is not, then, by a metaphor that we speak of the artist's services as "goods." The conclusion seems inevitable that, whether service be associated with commodities and consumed with them, or whether it is simply a human being that wears out his life in ministering to us, the service is, like the commodity, a consumption good.

But as regards the consumption of the pure service there is this special consideration. As we saw in the early part of this paper the normal laborer is assumed to produce his own wage—to earn them by creating them. He is not a burden on the community. Even those who said that wages were paid out of capital never denied that the laborer replaced them. But while this is true of the laborers as a class, it need not be true of the laborer we are now considering. This servant is a terminal economic point. He is in the same rank as the consumption commodity. His purpose is, not to produce, but to be consumed. Hence the servant unemployed or uselessly employed, is like the horse in the stable: he eats his head off. Like a commodity which costs to keep, he is at all times expensive; but when he resembles "dead stock"—that is, when nobody wants his services, he is very costly indeed. This servant *is* a burden to society: not only that society has sunk so much wealth in his sustenance and training, which remains unfruitful, but that the man, as a member of the human family, must not be allowed to perish. He is worse than a good of the firework order: he cannot be got rid of by putting a match to him. This is perhaps enough to point the moral that, when society allows or calls into existence a multitude of mere servants,

it invests money in a stock on which there is a large amount of uncalled capital.

What has been said of the servant brings up the question of a class whose position requires more careful examination than it usually gets, the Non-Producers generally. Society is a co-operation of consumers and producers, set in and working on an environment capable of infinite adaptation to their wants. This environment is best represented, I think, as a huge field, some of it naturally fertile, but most of it requiring to be reclaimed from the waste. This reclamation is constantly going on, and the measure in which the environment is reclaimed is the measure of man's—of humanity's—wealth. Living from the field all men consume and must consume. But not all need produce, for the field is very fertile, and the labor of a few can feed many. But most men do produce, either directly or by deputy; by deputy I mean this: when wealth accumulates it is put into the form of instruments; these instruments enable labor to invest its strength in roundabout processes which are indefinitely more productive, and thus create wealth as truly as human labor does; thus those who provide these instruments are part producers, though they never see a spade. Now, society has for its economic object to raise food from the field to feed its citizens, and also, by renewal of substance, to keep the field at the level of productiveness once won; that is, to preserve wealth and to create an annual surplus with it. (Here the figure of a field is not quite adequate, as land does not require much "upkeep," while wealth generally is perishable and involves great expense of replacement.) To perform this double task there must be a sufficient number of producers. If consumption exceed the amount of the annual crop (surplus) the world is living on its capital; gets poorer; and in time cannot maintain its children—who, by the way, are always increasing. Hence it is a primary duty, from a national point of view, for the citizens as a body to produce what they consume, and to consume no more than they produce. But, as I said, all

need, not produce, and here society gets beyond being a mere economic organism—which it would be if the field were just fertile enough to yield a bare living. The surplus becomes more than enough to feed the citizens. Society wakes to other ends than those of mere reclamation of waste and maintenance of fertility ; it demands the services of those who can open to it the many gates of living ; and it finds the means of getting these services in its extra surplus. It releases great numbers from the necessity of field work, and feeds them, on condition of performing what are sometimes called the “higher services.” Now it happens that the inclination of many worthy people is very greatly towards these higher services. Field work is hard, and not always congenial. It is pleasanter to preach, and paint, and sing, and teach, and there is a peculiar satisfaction in wearing a uniform. But, obviously, the number of persons who can be allowed to consume, and are not compelled to justify their existence by producing, is necessarily limited—otherwise a serious breach may be made in the wealth already reclaimed, or else other people are compelled to work double tides to support the ornamental servants. Thus, society becomes divided into producers and non-producers. But there is a division among the non-producers. All non-producers consume, and so must be fed by the labor of others. But there are those whom society will at all times gladly feed—recognizing that they are paid to pipe to the reaper’s dance—and there are those whom it would not feed if it knew they were mere parasites, and if it could help feeding them. Consequently—although we must take care of our ground, and not judge a person purely ornamental because he wears a uniform—we are warranted in asking every citizen of the world : What do you do for your living ? and in concluding, unless he can show that he is giving recognized value for what he consumes, that he is a mere sponge, and altogether a person to be reprobated.

To the four considerations, then, which we drew as to material commodities we may add a fifth as to services :

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that, in demanding services, society—not to speak of shaping the lives of human creatures—invests wealth in a form whose use may be selfish or may be unselfish, transitory or permanent, but, in any case, a form which not only is consumed, but consumes, and so is more apt to be a burden to society.

And now to draw some deductions from our analysis. (1.) We have seen that, in our ordinary consumption, an immense quantity of wealth is taken out of the world which might, without serious sacrifice, even to individual enjoyment, remain in it. Is this excess consumption blameworthy? Does it give us the legitimate condemnation of what is sometimes called “culpable luxury?”

The answer is that, apart from forms which degrade the consumers or limit and mar the lives of their servants, no amount of consumption would be culpable but for one thing; that the world is yet poor. To one who realizes the giant strides made by invention in the extractive industries, in manufacture and in transport, it is not a little surprising to find how poor this rich England is. Equally divided the income of this country would give about £33 per head, or £165 per average family of five. From this it follows that the most perfect distribution of income would not allow us all to have even those comforts which some of us count necessities. Of course it must not be concluded that those families whose incomes are more than £165 per year are robbing other people of the surplus. As we have seen, it is not receipt nor even expenditure of income that determines this, but consumption of it. The squire's income of thousands may be mostly spent in giving incomes of hundreds to the tenants on his estate, who in turn give incomes of tens to the village shops. What we can say is, that every family which *consumes* or lets go to waste more than £165 takes that value of wealth clean out of the world. If it were not taken out of the world it would be added to the community's stock and be available for consumption later. Others may have your cake although you *spend* it: but you cannot *eat* your cake and others have it! This consideration, it seems

to me, is serious enough if we remember how much of all incomes goes to butcher, baker, grocer, and the like.\*

The popular idea, then, about "culpable luxury" is to a certain extent justified. If we abstain from luxuries, however, it should not be on any false ethical ground that luxuries in themselves are culpable, but on the real economic ground that there are not enough luxuries to go round. Whether, however, the abstention of the rich from luxuries would, in the present circumstances, distribute income among the poor, is a practical question on which this much may be said by way of warning. Any sudden or violent change in our consumption and social demand would be simply disastrous. It is comparatively easy for the consuming world to change its habits: it is not so easy for the producing world. The vast majority of the nation are producing as they have been told and trained to produce. To stop consumption of their goods is to stop production; to throw the fixed wealth of years back to the waste—like the plant of the Panama Canal—to stop wages and employment: in a word, to disorganize a complex and sensitive co-operation of men who produce in order to consume, and of men whose consumption gives the order to produce. What has to be remembered is that, up till now, public opinion has allowed production to provide for wants as they suggested themselves; wise or foolish, wasteful or provident, it was all the same so long as profit could be made from their supply. For the motive of the undertaker, the organizer of labor, is

\*The exact bearing of this must not be misunderstood. If the consumption of the few is far above £165, it may be that their production is as much above that figure. If the consumption of a great many families is under £165, the great majority, in all probability, do not produce anything like that amount. An equal distribution of income has only arithmetic to recommend it. Since income depends upon production, and production is, more or less, our concern, there is no reason for the skilled laborer to restrict his consumption to £165 in order that he may thereby feed the unskilled. If £165 was the limit of any family's production it would be very different. . . . Even in the case of the "mere consumer" we must be careful of our censure. The owner of wealth is not a mere consumer: if he were not also the owner of wealth-making tools, why should any one offer him interest for the use of them? The class who are clearly struck by what has been said above are those who draw salaries for sinecures and useless offices, whether in church, state, or business—certainly a pretty extensive class.

profit, and profit can be made by producing penny articles or by producing guinea ones; by printing Bibles or by sending spirits to the heathen. Millions of men and women have no other means of getting wages—that is, of living—than in this kind of production. Any great diversion, then, in the ancient currents of consumption would affect production at its spring and end, the human worker. There is not, however, the slightest danger that the numbers of those who wake up to the responsibilities of consumption will be great enough to cause any such revolution.

(2.) It has been pointed out that, in our present ways of consumption, there is a great leakage and an actual destruction of wealth, which might be avoided. It may be asked: Is accumulation of wealth after all so desirable? The question is not so foolish as it seems. It comes from accepting two points of view not uncommon: the one—a counsel of despair—that we have no prospect that additional wealth will be any better distributed than it has been; the other rising out of the wide-spread experience that in most trades there is what is called “over-production.”

The latter is too wide a subject to take up here; particularly as I have before formulated my views on it. This much may be said; that over-production of anything indicates the evil of bad organization. It is not the fact that almost any one of us has as much of any form of wealth as he would take and could use in one way or another. What is true is, that wealth is sunk in over-supply of certain things at the time, that is, before other wants as clamant are saturated to the same point; that there is dislocation of the fine machinery which the industrial world now needs, so that producers and consumers do not come together to understand each other's wants and each other's supply.

With the former point of view there is more room to sympathize. To assist the accumulation of wealth at a time when wealth is being massed in a few hands seems to be putting still more power into the hands of the few. The point is a favorite one with Ruskin, and the rise of wages after the



Black Death has often been given as pointing a similar moral. To this, however, may be answered that if wealth is kept in existence it may be better distributed ; if it is consumed it is not there to distribute. But even if we are so pessimistic as to think that wealth will still continue to run to one end of the social scale, saturation with wealth is a lesson that perhaps we yet need. I am quite sure that the world is still dazzled with the idea of what wealth can give, because it has not had sufficient experience of wealth. In this respect the temper of the present generation is different from the temper of the last. The more men and women who find themselves free to enter the liberal professions—I mean those whose inheritance of wealth is enough to leave them free to choose lines of life to their liking—the more rapid will be the spread of liberal ideas about wealth, and the nearer we shall come to the experience of educated persons that the best work is never done for salary, but for fame or for love. That is to say, the more quickly the educated classes become rich, the more eagerly will they turn from the accumulation of wealth to the right disposal of it.

(3.) Our analysis shows that the ways of consumption are also, to a considerable extent, the ways of distribution. There is some consumption that is necessarily exclusive, but there is a great deal that may be exclusive or may be social. It is, therefore, possible to add to the wealth of the community without adding to the income of the individual. Most men between the ages of twenty and thirty discover that it is possible to divide an income between two without losing half.

The two directions which an instructed consumption would take are : where there is room for choice, that of preferring durable goods to perishable, and, in either case, that of preferring goods whose use is social to those whose use is selfish. The former has been sufficiently emphasized. If the economic student of these latter days has six shillings to spare on his solitary meal, he will know whether to spend it on a pint of Pommery or on a new novel of Mr. Stevenson.

The latter points to what I may call the "Socializing o consumption." Here there is room and reward for improvement. I have pointed out how poor this country yet is. The inference is obvious: that we should economize the use of luxuries as far as we can; that is, make them go as far as they will.\* Yet is it not melancholy to see how the first impulse of the man who becomes rich is to hedge himself away from his fellows; to put up barbed wire round his belongings; to travel by a separate class; and, generally, to hang out the sign, "Trespassers beware"—not from the admirable motive of being alone with nature, but simply that of being distinguished from the crowd.

A little better knowledge of the *savoir vivre* will bring us past this parvenu stage: perhaps it will require a little more saturation with wealth; for I observe that in the United States, where land is plentiful, there are fewest high walls round the gardens, and in Italy, where art has its home, the great pictures do not hang on private walls. Meantime, I confess that the amount of wealth that is poured out to fill the limited capacity of enjoyment of a limited number makes me think of nothing so much as of the glorious sun, wasting its energy in pouring out heat and light for an earth which is too small to catch more than a fraction of it. It is not too much, perhaps, to hope that, with awakened conscience and better knowledge, much of the wealth that now escapes, like unused heat up our chimneys, will be passed on, to be used, like steam in a second and third cylinder.

In speaking of better distribution, it must be remembered that we have an interest in the redistribution of what I must call the "parent wealth" of the community, as well as in the distribution of its income: that is, of the wealth already in the world as well as of that which is added every year and partly consumed during the year. It is not always easy to distinguish parent wealth from income, or even to get a clear

\* At the banquet of the rich, there are two ways of economizing luxury: one is to gather up the fragments that remain and send them on to our poorer neighbors; the other, and by far the more economical, is to ask them to join us at the board.

conception of what it is, and that for a singular reason—namely, that we measure income by value, while parent wealth is expressed very greatly in terms of utility. Consequently, when we have to put our wealth as a nation into terms of value, it will be observed that we do so by the rough and ready fashion of capitalizing income, and making certain broad additions. A good parallel to it is in the case of our own homes. The wealth that these represent to us is not expressed at all adequately in the selling value of the house and the furniture. Similarly, the progress of human society chiefly takes the form of making the world a more comfortable place for man to live in, and these improvements pass away out of the range of valuation. They become brighter, healthier *conditions* of our life. In other words, much of our parent wealth exists in the form of a background of the community's life; changes of physical environment that make the house of life into the home of man. The true line of progress is that this background should be common property; that the community should continually be adding, as it were, to the free gifts of nature. But often much of this environment is held in the power of individuals who take their private rights without thought of public claims. For instance, we have the common phenomenon, in the neighborhood of our cities, of owners building walls round thousands of acres with the intention of preventing the public from enjoying what surely belongs to no private owner, the sight of God's earth. And, again, there is a constant tendency on the part of the richer classes to socialize the environment for the benefit of their own class. The West End stretches further and further away from the smoke and grime, and is gradually weeded of its eyesores; while the debris of our common industry is heaped up in the East End, around and among the dwellings of the workers. Now it is a double evil if the large incomes go to a few, and if the background of society is a background painted according to the desires of a few. Here the individual should join with the municipality in redistributing burdens and advantages.

It is possible by a wise expenditure and consumption of public and private wealth to surround rich and poor alike with an environment which cannot be used for one class alone; so that, in estimating the wealth of the workingman, we should, indeed, begin with his weekly wage, but then go on to calculate and add to it the purity, brightness, education, recreation, amusement, he has for nothing as the background of his citizen life. Thus, I repeat that, in default of apportioning wages by product, it is still possible, by a wise consumption, to relieve the laborer to a considerable extent from the tyranny of bare wage earning.

It is not an easy thing to find out the value of the laborer's product. It is not an easy thing, in these days of life and death competition, to secure that he shall always get that value. But, compared with these, it *is* an easy thing to socialize our consumption, and throw wide the doors of wealth, so that humanity shall enter in and enjoy much of what the individual now consumes in solitude.

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