

RENT, INTEREST, AND WAGES,

OR

REAL BEARINGS OF THE LAND QUESTION.

CHAPTER I.

The Problem.

Let us open the subject interrogatively and ask first, Is there a social problem?

This question will be understood only by those readers who are acquainted with the writings of a certain class of political economists, once very influential, but now fortunately rapidly declining, though still giving the tone to important organs of public opinion. A man must be blind and unimpressionable indeed, if he can see all around him the evidences of the most abject and harrowing misery jostling side by side with exhibitions of wealth and luxury such as the age of Lucullus and Crassus dreamt not of. It seems impossible indeed to shut one's eyes either to the lessons or moral afforded by such sights; but there is no blindness like that of the man who does not want to see, and no spectacles so opaque as those ground on the stone of preconceived and rooted prejudices, especially if these prejudices are based on great principles wrongly applied.

In a comic German paper, many years ago, a gardener was represented as leaning thoughtfully upon his spade, when his master approached, and, asked him what he was thinking about. "I was thinking about those beans I planted," replied the gardener. "I know I planted them all right, and what do you think came up?" "Why, beans, of course." "No, the pigs came and ate them," replied the gardener musingly.

Now, let us suppose the gardener had been ignorant of the pig's trespass, and his master had told him that if he had planted beans there was no doubt that beans had come up, as natural law determines that beans will produce beans, and if he did not see them his blindness was the only cause, should we have thought him wiser than the gardener, who denied the existence of the natural law, because he felt perfectly sure that no beans had made their appearance?

The reader, however, may smile at both for flying off into such preposterous reasoning, without first investigating whether some important fact had not perhaps been overlooked by one or other of them, the knowledge of which might have changed all their conclusions. He might naturally think that a case like this supposes a degree of stupidity too dense to have been likely or even possible to occur; but all he will have to do to be convinced of the contrary is to look around and he will find that similar feats of logical reasoning are performed on every hand, perhaps by his best friends, and however unconsciously, even by himself.

Industrialism and Socialism.

Look at the fact of the two extreme parties engaged on the battle field of social discussion, represented by the orthodox school of political economy, founded by the physiocrats and Adam Smith, and, baptised at Manchester on the one side, and the partizans of extreme socialism (for in some sense are we not all socialists?) on the other, and then ask yourself the question: does not their battling give us a fair counterpart of the discussion between our gardener and his master in another phase? Does not one of them deny the very existence of any social problem because the working out of natural social laws is bound, whatever happens, to produce universal prosperity, and does not the other equally deny the validity of the said laws, because of the unmistakable absence of anything like the promised result? Do not both commit the same fault of forgetting or disregarding the search after the missing link represented by the pigs in the anecdote?

I propose to show presently where the missing link is to be found. But my first task must be to expose the errors committed on both sides, and I begin with the

greater sinner of the two, viz., the economist of the orthodox school. I say the greater sinner, because in having eyes he sees not, allowing pride and self-interest to step in and often warp his better judgment.

I do not for a moment mean to impute that such objectionable motives are always present. There can be no question that elevated and noble minds actuated by the highest motives may be found in their ranks. There is something so seductive in a principle which is true in the abstract, that to many it will prove a sorcerer, who, with meshes of deductive reasoning, will gradually so fetter their observing power that the most dangerous sort of colour blindness will ensue.

And, truly, it is a great principle that of free, unfettered individualism fighting for a higher civilisation by pitching against each other the full powers of the workers in the great battle of competition, without any interference by the State, whose only office is to keep order, and to prevent foul play. It is a principle appealing most powerfully to the minds of strong, energetic natures, in the individual or national sphere. Here we have the reason why those who owe their success in life to their own hard exertions, whose energy and strong will have procured them a cabin berth in the ship of life, are mostly to be found in the ranks of this school, upholding the banner of free and unfettered individualism. Here we have the reason why nations having an unusual supply of such individuals, as those founded by the sturdy Anglo-Saxon race, are the strongholds of individualism. If there is nothing more powerful in its effect for good than the carrying out of a great principle, on the other hand, nothing can be more dangerous than to rest content with half measures on so important a field. Proclaiming the principle that everybody should find his food himself may be a good thing, but if applied to a poor fettered prisoner it would only do harm. As long as the law of free and unfettered individual action is thus only partially carried out, the false principle of feeding men who ought to feed themselves is certainly preferable to the working of the correct one of "*laissez faire laissez passer*." The full right to find his own food in the case of the prisoner would be nothing more than the right to starve, because the right to work presupposes freedom from fetters and jail walls.

Are there no such fetters and jail walls in our actual world of to-day? Can a man work without having *free access to mother earth and the natural forces* connected with it?

As long as we keep him fettered in the chains of *land monopoly*, as long as the *walls of landlordism* imprison him, the laws of free individualism are "more honoured in the breach than the observance." State help would in such a case be certainly preferable to *laissez faire*. It is no mere chance that the Elizabethan Poor Law, that most gigantic measure of State help and socialism which ever was passed in modern times, had to follow closely on the strengthening of landlordism under Henry the Eighth.

If landlordism like the pig in our story devours the seed, natural laws assuredly cannot produce the beans. The great error made by the old school in standing up for all liberties except for the one which might claim to be most fundamental, that of free access to natural opportunities, is the cause of its decline and downfall, of which there can be very little doubt on its present lines. There is only one way of salvation for it: and that is the full carrying out of its principles by freeing the land from the fetters of monopoly. But instead of doing this its knights and defenders either adopt the plan of trying to prove the presence of beans quite imperceptible to the ordinary eye, and to show that all is for the best in the best of all possible worlds, or they take refuge under the shades of Malthus, and Darwin, talking of laws of population and the inevitable battle of life with the "survival of the fittest."

Statistical Proofs of Comparative Prosperity.

Let us first investigate how they manage to prove that these figurative beans of general prosperity are growing all around us, though the eyes of unbiassed observers can see nothing but misery.

If any body wants to prove something which common sense cannot admit, he generally has recourse to that maid of all work called "statistics." With statistics you can prove anything, if you know how to manipulate them cleverly. Look at the statistics of vaccination, how its friends as well as its enemies use the long rows of figures to prove their opposite doctrines. The sudden decrease of small pox at

the beginning of this century in Sweden is given as a proof by vaccinationists in their favour, because it coincides with the introduction of vaccination, whereas their opponents regard this sudden decline of small pox as a strong point against vaccination, it being impossible that more than a very small part of the population could have been vaccinated at that time. If, say they, there was such a sudden diminution of cases, this did not come from vaccination, but was caused by one of those natural agencies, which at a certain period cause the disappearance of plagues. The Black Death and other visitations of this kind have disappeared from Europe without vaccination, and small pox, they reason in the same way, would have disappeared long ago, if the practice of vaccination had not preserved its poisonous germs.

Let us see now, how economists use statistics to suit their purposes.

One of their favourite subjects is the *comparison of wages* at the present time with those of previous periods. Mr. Giffen is especially great in such comparisons. It makes such a cheerful impression, when the great statistician shows that wages have increased fifty per cent in fifty years, that few people care to enquire why the comparison is made with one of the worst periods, the time of the Anti-Corn Law League, when one of the main arguments of Cobden and his friends was that the misery reigning among the working classes was the result of protection.

Why not go further back into former centuries? If their theories about the increasing well-being of the working classes were correct, the magnitude of the difference between our time, with its enormous increase of facilities for production, and those old days of primitive modes of manufacture and agriculture would certainly be more apt to force conviction upon doubting minds than a poor fifty per cent., diminished a good deal by increased cost of living. These gentlemen know perfectly well why they do not extend their comparisons to such longer periods, because the results would be the very opposite of those they wish to adduce.

Statistics show that, unless destructive wars devastated the country, the purchasing power of wages was higher 400 or 500 years ago than it is now. According to Janssen's history of the German people a common workman gained

eighteen Pfennige a day in 1464 at Bayreuth. For these he could buy nine pounds of beef, whereas his present wages would only buy two pounds.

In the beginning of the same century a week's wages bought a sheep and a pair of shoes. A month's wages bought a bushel of rye, twenty-five dried cod, a cord of wood and two yards of the best woollen cloth.

The accounts of the cathedral at Xanten (an old Prussian town on the Rhine), edited very carefully by Beissel, show that in the year 1400, a sawyer earned a lamb in one-and-a-half day's work; six pounds of ham, or five young chickens in a day; 100 eggs in two-thirds of a day; a pair of boots in two days. Half-a-day's work paid a week's lodging of an unmarried man, a whole day that of a whole family in the town with better lodgings than are now obtained at much higher prices.

In the days of Adam Smith, a millwright at Zandern (Holland) was paid two shillings a day in the summer and one shilling and sixpence in winter; a stonecutter over three shillings and free beer in summer. Other prices were as follow: meat threepence, butter threepence half-penny, cheese twopence half-penny a pound. Relatively rent was not half of what it is to-day.

I only refer to a few foreign instances unknown in England, but the best proofs that workingmen were better off in old times are given by an English writer, Professor Thorold Rogers, whose works on this subject are most highly esteemed in my native country, but are too well known and accessible to English readers to render it necessary to give quotations from them. I only want to mention a single fact not contained in them, mentioned by him to Henry George on the occasion of his late visit, viz., that in the days of Henry VII., a labourer gained £145 of our money, whereas to-day he only earns £30.

The following clipping from George's *Standard*, New York, may be of interest in connection with this question of comparative wages. "One thing that is hardly realized by those who complacently write on labour questions is the increasing intensity of work in many branches of industry. It is not merely that the machine has been increasingly speeded, and that the man, woman or child has had to keep up with it,

but that the system of piece work which has been so generally adopted tends to set the pace at the highest possible. For instance, in the machine shops of the Pennsylvania railroad at Altoona a man gets the same price for making eight axles in 1890 that he got for making four in 1872. The machinery has not been improved. On the contrary, where in 1872 he had two lathes to work with, he now has but one, and more dexterity is required. The difference is in the increased skill of the workman and in the increased intensity which he throws into his work. Thoroughly experienced workmen make as much now as they did in 1872, but they put more of their life into a day's work, are more exhausted when the day's work is done, and will have fewer days to work before breaking down."

To show the real value of statistics like those of Mr. Giffen even when correct, I will translate part of a letter written to me by my friend Jan Stoffel of Deventer, Holland, one of the most conscientious men I ever knew.

"You ask me how it is that my workmen can no more afford to kill a pig or a cow now, in spite of a rise of wages, amounting to seventy per cent. in twenty-five years? Twenty-five years ago the workman rented a piece of land cheaply. He never bought vegetables, potatoes, or milk, and rarely bread. He had a garden next to his house and rented agricultural land from the parish. The time of labour was shorter. He had a shed for a goat and a pig. To-day the rent of his house, without a shed and without a garden, costs more than it did then with the same included. He has no time now to work in the fields, and rents are so high that he can no longer rent land at paying prices. He now buys his vegetables, his potatoes, his milk and his meat, as well as his rye bread that he used to prepare himself, getting the baker to bake it for him at the cost of a few pence. The increased rent has taken all the increase of his wages and more. The danger of being without work in winter is becoming really alarming in Holland. The situation of our workers is so miserable that if I were to tell my "hands" to-morrow that I should have to lower their wages next week at the rate of two florins, nobody would leave me as they could not find another place."

Stoffel here touches one of the main points left out of consideration altogether by our friends of the Giffen type, the question of full employment.

It is evident, that if an increase of fifty per cent. in wages is accompanied by a diminution of say only forty per cent. in the time during which wages can be obtained we really have a decrease in earnings of ten per cent. instead of an increase. Fifty per cent. increase makes one shilling come up to one shilling and sixpence, and sixty per cent. of actual working time at this rate of wages only leaves a little less than elevenpence.

According to the testimony of Mr. Ben Tillet before the House of Lords committee on the Sweating System, 1888, a docker sixteen or eighteen years ago could average throughout the year about twenty-four to twenty-five shillings a week, but, before the strike the same man did not average more than seven shillings, his average time of occupation throughout the year having been about three hours a day. I do not need to give statistics to prove that employment is now more difficult to obtain and that the average of full working time is steadily declining in most trades. Those least conversant with the facts of every day life, know this. Statisticians may get up any array of figures to prove that a man ought to be filled when he is hungry, but people have a tendency to trust the teachings of their stomachs rather than the finest set of figures in the world.

A German boy was once asked by his teacher how many glasses of beer were left if he, his mother, and his father, took one glass each out of five. None, he answered. You do not know your arithmetic said the teacher. "May be," replied the boy, "but I know my father." Theory did not go down with that boy; experience had taught him the fact, that the old man never left a drop of beer on the table, if he could help it. All statistics of national consumption with their professedly higher averages in every article of consumption are not worth the paper they are written on. To begin with they entirely leave out of consideration the food formerly produced for their own consumption by people who now have to buy everything. The pound of meat they now buy from the butcher is counted on the national consumption list; but who deducts the pig they raised themselves, before the

common was inclosed which also gave them feed for a cow, enabling them to keep up their little country home in a manner which Mr. Giffen completely ignores?

But independent of this, is there anything more deceptive than calculations based upon averages? Has it ever saved the life of a man who has been drowned by getting into a deep place, his knowing for certain that the average depth of the river did not exceed four feet? The average consumption of meat in Spain is seventy-six pounds a head. In the province of Almeria it is only 5·87. It is certain that in all countries the higher and the upper portion of the middle classes have considerably increased their meat consumption. Let us suppose that in a certain country they have increased it from 100 to 200 pounds a head. Let us further suppose that their number is equal to twenty per cent. of the population and that the average consumption of meat has increased from sixty to seventy pounds a head; in this case eighty per cent. of the population would only get 37·50 a head where they got fifty before. Their consumption would have decreased one-fourth, though the average consumption has increased one-sixth.

The enormous *increase in the consumption of alcoholic liquors* can just as little furnish a proof of the increase of the people's well-being. Thus the poorest provinces of Prussia are those where the consumption of gin is the greatest. Misery leads to drink in a great many more cases than drink leads to misery, and there never will be such a powerful help to the temperance movement as the social reform which makes people wealthier, wiser and healthier.*

*It is intentionally that I change the order of the three enjoyable blessings promised to early risers. Our social state has completely changed such old fashioned ways of looking at things. It is not early rising to begin with, which leads to success at a time when an eight hour working day is looked to as a means of reform. The boy who, upon being admonished that the early bird catches the worm, replied: "Serves the worm right, why did it get up so early?" had an inkling of the change in social matters. It is no longer health which brings wealth and wisdom; but wealth which brings health and makes wise. The poor, though they be ever so healthy, have little chance of ever becoming wealthy and wise. Wealth is obtained by other means than hard work made possible by good health, and only those who have the means can obtain the

Another hobby of the statisticians in question is furnished by the figures of *saving banks*. There is a great increase, they tell us, not only in the sum total of the savings but also in the number of the savers.

No doubt the figures are correct ; but let us see who the savers are and to whom the increase of savings is to be credited. The best instance is furnished by the statistics of the Austrian postal saving bank in 1886.

Of 1,000 depositors only twenty-six belonged to the working class (servant maids not being counted.) Of 2,117 workingmen, who during the year had made deposits, only fifty-two had balances at the end of the year. The immense majority of depositors and a greater part of the deposits had been made by small capitalists, who preferred this mode of investment, because interest on government bonds was very low and business investments were too risky. The latter predominating cause thus makes the increase of deposits form rather a sign of bad times than one of any increase of prosperity.

Further on we shall see that the enormous *increase of national wealth*, a favourite point with Mr. Giffen, in our days only denotes a descent of the barometer indicating the condition of the masses, just as it did in the days of Rome.

We shall, moreover, see that the question whether the share of wealth falling to the masses has increased or not, is perfectly immaterial, so long as its increase does not extend far enough to raise their consuming power to the height of production. Meanwhile I cannot help recommending to such economists the tale about the mule, which was not satisfied

wisdom of universities. (Not that I esteem it so very much and that I do not think more of the wisdom obtained in the school of life ; but this is a private opinion, which does not go very far with those official estimators and assessors of wisdom called "boards of examiners.") The poor may be very lucky, if they only conserve their health, which is getting more and more difficult in these times of overcrowded tenements, and unhealthy callings. It is only the rich, who can attend to their health. It is for them that all the inventions of medical science are made, only to them that health resorts are offering their blessings, only by them that every comfort for making life pleasanter is obtainable. It is to them that the best schools open their doors, that the wisdom of ages is accessible. This is the reason why I have reversed the time-honored order of things in the old proverb.

with its food and which its owner wanted to tranquilise with the consolation that its ancestor used to be happy with a feed of thistles. "Alas, this is true," the mule replied, "but you know, my ancestor was an ass."

Or, to such as are in the habit of saying that the workman is so much better off than the poor employer, who is exposed to such great risks all the time, while the workman gets his settled wages and need not care for the morrow, we recommend the story of the runaway slave. When asked by the Kentucky judge why he ran away, the slave had to acknowledge that he had all he wanted and was well treated, but when the judge further wanted to know what he ran away for under such circumstances, Sambo replied: "Well, massa, the situation is open yet, if you want to have it!"

Danger of Falsifying Statistics.

Economists of the Giffen stamp do not know the great harm they are doing, or they might perhaps make use of their capacities in another direction. Even as it is, our well-to-do people have generally a natural inclination to disbelieve the prevalence of widely-spread misery. It is such a common feeling to believe that everybody must be satisfied, when we have eaten a good meal, that everybody must be warm, when we are sitting near our own cosy fireside. The misery of our fellow beings is such a painful sight and thought, that more or less a kind of Podsnap feeling takes hold of men and they are always pleased when philosophers of the Giffen type strengthen the muscles of their arms for the well-known motion with which they try to put things out of their mental sight.

But my friends, a time is coming when a hundred horsepower of Podsnap muscles will no longer succeed in accomplishing the reform of the abuses around us by waving or shuffling them out of sight in so comfortable a way. The Supreme Judge before whom we are going to appear will not take kindly to such a way of doing our duty. Podsnapism will find no mercy before God. He will not even defer His punishment until we appear before His judgment seat; it will reach us here below yet, unless we are destined to be called away very soon. On all sides signs are appearing to those who are able or willing to read them; Mene Tekels of a

vivid hue, warning us of the storm brewing in all directions. There is no excuse for you my Podsnapian friends, to say that you did not know, that it was not your fault, that men you trusted in grossly neglected their duty by using that important instrument "statistics" in such a nefarious way. It is certainly not the fault of the instrument. Statistics are not responsible for the use made of them. It is not the fault of the alarm bell if it is inverted and used as a vessel to mix a sleeping draught in. Real statistics are a powerful alarm bell, potent enough to reach the ear of all if rightly used and listened to. Its warning notes, now wailing and now shrill, are pealing forth from country to country, and while we listen let us not forget that those whose suffering they speak of are human beings like ourselves; that they feel pain, cold and hunger as we do; that they are thinking as we are; that knowledge spreading its light into the darkest corners is getting more and more accessible to them; that the restraining power of religion, or what goes by that name, is losing its hold on them more and more; that they cease to believe in a future world, which is so sure to repay them a thousand fold for the sufferings they are undergoing in this. Rather are they asserting their inalienable right to the full enjoyment of their earthly life, to which they have as good a claim as any other of their mortal fellow beings. They know that there is no more excuse for their sufferings: that the old curse has been lifted by a Divine Father, whose manifestation to the human mind has brought forth those wonderful discoveries and inventions in all departments of production which have changed the whole face of the world. They know that a thousand millions of iron slaves are working day and night to bring forth bread, raiment, and all the luxuries of life. They know that these untold blessings ought not to be a curse to them, depriving them of their means of existence instead of increasing them. They know, that if ever there had been a necessity for their suffering, because the total of wealth in this world was such a small one that the fullest exertion of every worker would barely be sufficient to procure a decent living for all, such a necessity has passed away long ago, and that, if full liberty were given, enough could be produced to give not only the needful but even the superfluous to every

human being. And in such a world what is the real state of well-being among the millions?

Misery of the People.

There is no need for me to enter into English statistics. The tale of misery has been told so often and by so many more competent men, that to repeat it here is unnecessary. If the reader has not already done so let him read "Land Nationalisation," by A. Russel Wallace, or "Poverty and the State," by Herbert V. Mills, and he will get an idea how much greater than the official figures represent, the number of paupers—*i.e.*, persons assisted by public and private charity—really is. Let me only add a few figures from the report of the Commission investigating the state of the working classes in the East-end of London during the year 1887: Of 30,000 families, to which the investigation extended, 6,000 inhabited a single room, 1,572 only a part of a room. There are many cases where as many as ten persons of all ages and sexes, related or not, sleep and live in the same room. In Glasgow 125,000 inhabitants have only got one room for each family.

As, however, my readers have better sources of information regarding the state of things in their own country, I shall refer more to foreign countries, the information respecting them being perhaps less accessible to English readers. Let us cross over to France, the country noted for the well-being of the lower classes. In this paradise of the workers 219,270 houses have only one opening, *viz.*, a door and no window. We shall see later on how delusive the reigning idea of the well-being of the French peasant proprietor proves to be. Meanwhile let us cross over to Germany, and see what mountains of misery the external glory of my native country is really hiding.

According to the latest Prussian statistics of 1887, 77·6 per cent. of the population pay no income tax, though incomes of less than £20 are not taxed. Of the taxed incomes the bulk is taken up by the lowest. The average of these is estimated at £25 for each family. In 1885, ninety-three per cent. of the nation had an income of less than £75. Now for a few figures from the income statistics of Saxony for 1886. One third of the inhabitants do not even possess an income o

£15. Another third has less than £25 income, another fifth less than £40. This gives an average income of £20 for each tax payer, or as there are two inhabitants to each tax payer, it means that eighty-two per cent. of the population have an average income of £10 a head.

Thirteen per cent. of Berlin, and thirty per cent. of Ham-
burgh dwellings are in cellars. 75,000 Berlin lodgings consist of a single room and are inhabited by 270,000 souls. Passing into Austria we first come to Bohemia. Whoever wants to read harrowing tales of human misery ought to read the book of my friend Dr. Singer about the state of things in North Eastern Bohemia ("Untersuchungen über die sozialen Zustände in den Fabrikbezirken des nord-östlichen Böhmens," Leipzig, Dunker und Humblot). His description of a house of four rooms, a garret and cellar, containing altogether only 2,100 cubic feet (160 is the minimum quantity required by a grown person), in which fifty-one adults and twelve children lived together, is exciting disgust, pity and holy anger against a state of society rendering such things possible. In the capital of Vienna, 1856, each family averaged 3.5 rooms; 1864, only 2.5; 1873, only 1.8,. In the other capital Buda-Pest the number of cellar lodgings increases from year to year. Within the last five years 8,000 inhabitants have been added to the number of the miserable beings forced to live in such holes. One tenth of the whole population or 43,600 souls is the present total of these cellar dwellers. In 1880 it was only 32,600. In 1870 51,664 inhabitants lived in single rooms with more than five; 12,307, with above nine, and 1,068 with twenty and over occupants in each. We had better, perhaps, stop here, for if we continue our journey into Italy, and thence into Spain we should have to tell tales of such unheard of misery that even those already told would pale at the sight of them. Pelagra, that terrible hunger disease, is the spectre haunting the fruitful plains of Northern Italy in this civilised 19th century.

But, enough. I have done with showing up the real facts about the beans of prosperity, which no human eye can see anywhere. Let us now have a look at the other plan, tried by the same philosophers, that of proving the misery of the masses as a result of natural laws. The idea of combining both kinds of proof reminds one of the woman accused of having taken a pot

and giving it back in a broken state. "May it please your honour," was her defence, "I never took the pot, to begin with, and it is a lie that I broke it. I gave it back in the same state it was in before." Our Giffens tell us that the masses are much better off than they ever were before and in the same breath they tell us that natural laws are the cause of their misery, which, according to these laws, cannot improve. "In point of fact—I never took the pot and it was broken when I took it."

