

From the book:

The Foundations of Freedom: The Land and the People / 1912

THE PERSISTENCE OF POVERTY.

By William Reid

“See yonder poor o’erlaboured wight,
So abject, mean, and vile,
Who begs a brother of the earth,
To give him leave to toil.
And see his lordly fellow-worm,
The Door petition spurn,
Unmindful though a weeping wife
And helpless offspring mourn.”—Robert Burns.

The author of the above lines working far away from universities, and openly expressing his contempt for the teaching and fallacies which find sanctuary there, connects poverty with its root cause. At the same time that Adam Smith was laboriously compiling facts and supposed facts to find a cause for poverty, Robert Burns looked under his feet and found it there. The Political Economist who was destined to elaborate in detail how land monopoly laid its trail over every industry was as yet unborn. Eighty years after Burns, came Henry George, to throw light on the problem Burns had solved by inspiration or intuition. The Economists who had laboured in the interval had brought forth a mouse. They could only suggest the absence of capital as a cause for poverty, although there was present to their eyes both the labour and land from which it was possible to produce wealth and to accumulate capital.

Adam Smith had given them a good lead which they failed to follow. Vague and indefinite as were his ideas, those of his successors were less clear. In Chapter VI, Book I, "Wealth of Nations," we read that "As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they have never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruits of the earth which when land was common, cost the labourer only the trouble of gathering them, come even to him to have an additional price fixed on them." Since this was

written, coal, which is a natural product, limited in quantity, and varying in quality, has been an absolutely essential factor in our industrial system. Added to the trouble and danger of winning it, we have to pay individuals who risk neither life, limb, nor capital, for permission to raise coal to the surface.

Such rent if handed to the community—the source from which it came—might have acted like “the rain that cometh and the snow from Heaven”; it might have watered the earth, “making it bring forth and bud, that it may give seed to the sower, and bread to the eater.” Instead, it has been appropriated for individual dissipation. Communities have starved for want of necessary funds to make public improvements in roads, lighting, sanitation, education, etc. The able-bodied idle landlords have used up the funds which might have supported the blind, the weak, and the aged, and that also might have provided against accidents and invalidity.

Orthodox Political Economy, noting that rent equalized advantages as between different producers, overlooked that it created inequality as between producers and non-producers. Bent was assumed to hurt nobody, whereas it hurt everybody but rent-appropriators.

Adam Smith came close to the point. He knew that labourers got the full product of their labour, “in that original state which precedes the appropriation of land and the accumulation of stock.” Had he set himself to inquire which of these two new factors affected labour unfavourably he would have been forced to admit that it was the “appropriation of land.” It ought to have been clear to Smith that this was a hindrance to labour, whereas in a vague way he himself made a heroic attempt to show that the “accumulation of stock” was a help and not a hindrance. Two things had then entered into the production and distribution of wealth, one of which was of assistance to the labourer, and the other was a menace to his interests. One limited the amount which the labourer could produce for himself, the other assisted him to produce more.

In finding the missing Law of Wages and co-relating it with the recognized law of rent, Henry George found a sufficient explanation for poverty. Whether other things aggravate or intensify this poverty is a matter of less importance. The main purpose of an inquiry into poverty is to find its root cause, and this we find in "Progress and Poverty."

We find that rent is the effect of the increased trouble, which labour undergoes as it is forced to land of lower quality. If it tries to escape the increased trouble, it can only do so by paying rent for the appropriated land of higher quality. This would be no hardship, but for the fact that the land is appropriated. Otherwise the rent paid for its use, would be a common fund for the benefit of all.

So long as the "appropriation of land" continues, poverty must continue, and in the continuation of this system we find a reason for the persistence of poverty. A portion of the community are permitted to labour on the appropriated land on the landlord's terms, and another portion are completely shut out from employment on land. Having shut this surplus out of employment, the landlord can use their competition to keep down the wages of those who are employed, and to keep up his rent.

Suppose capitalists offer to assist the labourers to produce, it will not help the labourers as much as might be expected. Out of the increased product the landlord will want an increased share. The demand made by capital for the use of land, will raise the value of land in the same way that the demand of labour does. Ricardo and the Economists who immediately followed him, could only account for a rise in rent by an increase in population. Increase in population raised rent by adding to productive power, and anything else will raise rent that does add to productive power. The march of invention enables wealth to be produced with less manual labour, and writers on Political Economy like F. A. Walker have assumed that by doing so, it calls for less land and reduces the pressure on land. This could only be true if demand was fixed. So long as people desire more, as more can be produced, invention cannot reduce the pressure on land. By making labour more

productive it increases the pressure on land, and increases its value.

The evil is intensified as people are taught to rely on others for employment. Those lessons that men learn in their stem fight with nature, are lost to the people who are taught to rely on the permission of others before they can be employed. Improved modes of production divide the processes of labour until many labourers are only acquainted with some minute operation in the production of the most common necessity. In countries like Great Britain, not only is valuable land appropriated, but all land is in the same position. The dear land yields revenue to the landowner, and the cheap land is his playground. Foxes, tame deer, and pheasants are the tenants of the fields from which the people have been driven to compete for a starvation wage in the towns. Chapter II, Book V, "Progress and Poverty," is rich in illustrations; it teems with facts which convey truths to minds not trained to theorise, showing how land monopoly perpetuates slavery, and how free land means free men. It is not rent which is the cause of poverty, but the misuse of rent. A fund which should be used for the benefit of all is appropriated by individuals. If labour cannot be drained for the benefit of the landowner, land is thrown out of use, people are thrown out of employment, and poverty keeps pace with progress. Men go without "work," by which is meant productive or remunerative work, and they starve and perish through want of the things which productive work extracts from land.

Material progress in the shape of machinery, subdivision of labour, simplification of exchange, improved methods of transport, all add to the value of land, and reduce labour to a still more helpless condition. Political progress gives votes, but votes are useless except in so far as they are used to alter the bad economic surroundings. In so far as votes are based on property, the economic condition dominates the political condition. Social progress which does collectively for the individuals in the community, the things for which private monopolists would tax them heavily, also raises the value of land, and strengthens the bottom monopoly of land.

Until we solve the land problem it is next to useless to solve any other problem. "Man is a land animal —the land question is the bottom question," and so long as it exists we must look for the persistence of poverty.