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Reviewed work(s):

Source: *Bristol Selected Pamphlets*, (1880)

Published by: [University of Bristol Library](#)

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AN EXAMINATION
OF SOME OF
MR. HENRY GEORGE'S DOCTRINES
ON
PROGRESS AND POVERTY.

By RICHARD SIMON.

LONDON :
BEMROSE & SONS, 23, OLD BAILEY ;
AND DERBY.



X-10-456505-4

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BOOK on political economy, of which 30,000 copies can be sold in a few months, must have some special qualities to recommend it; and although in this case we cannot praise the force and correctness of the reasoning, we must admire the literary excellence of the book, and can see in Mr. George's sweeping theories, dogmatically asserted and supported with vehement eloquence, the forces which have made disciples of so many, whose earnest, anxious minds are ripe for a word of power promising a sure specific for the evils that disturb and distress them. Although Mr. George will never found a school of political economists, he has already become the Prophet of a new faith, and has made converts who, like Mr. Davitt, are willing to become martyrs.

It is this "missionary" influence which makes his doctrines interesting, and an enquiry into their soundness important. Such an enquiry will fall naturally into two parts; the first, an examination of the facts which Mr. George takes as axiomatic data to form the premiss—"the Problem stated," he calls it—of his arguments; the second, an analysis, necessarily brief and partial, of his theories. The Problem, according to Mr. George, is, that Want increases with advancing Wealth. The main theory is that this supposed

increase of Want is due to the existence of private property in Land. This result is the culmination of other theories, among which I may name one that Capital does not support Labour; and another, that Density of Population is favourable to the production of Wealth; and a third, that Wise Legislation, the progress of Discovery and Invention, &c., do not improve the condition of the working classes. The Remedy for all existing Poverty, and, indeed, for all existing evil is, in Mr. George's opinion, to confiscate all Land for the benefit of the Nation. As we shall soon see that Mr. George's premiss is unsound, the data being incorrect, his theories, so far as based thereon, must necessarily be untenable. The chief interest in examining them is, consequently, to see where the fallacies may be. As much as possible I will let Mr. George's own words (quoted from the cheap edition) state his case.

"The present century has," Mr. George says, "been marked by a prodigious increase in wealth-producing power; . . . discovery . . . and invention . . . have neither lessened the toil of those who most need respite, nor brought plenty to the poor. . . From all parts of the civilised world come complaints . . . of want, and suffering, and anxiety among the *working classes*. That there is a common cause . . . closely connected with material progress becomes more than an inference" (all p. 1).

"It is in the older and richer sections of the Union that pauperism and distress among the *working classes* are becoming most painfully apparent . . . all the increased wealth which modern progress brings, goes but to build great fortunes . . . and make sharper the contrast between the House of Have and the House of Want . . . (all p. 2). I propose to seek the law which associates poverty with progress, and increases want with advancing wealth" (p. 3).

All these statements are assumed by Mr. George as axiomatic. These things are what he considers he sees, and they start him on his search; their supposedly self-evident truth is the foundation of his theories, and if, as we shall find, nearly all can be successfully traversed, either by a direct denial or by the indication of contributory causes, the ground will be cut from under Mr. George's subsequent arguments; for, if

want has *not* increased with advancing wealth, there can be no such law as Mr. George sets out to seek; and if he propounds a theory, according to which poverty *must* increase with advancing wealth, and we find that it has *not* increased, it follows that the theory is incorrect.

Passing over, for the present, his constructive arguments, we find his result thus stated by Mr. George on page 55. "This . . . is what is going on in the civilised world to-day. Private ownership of land is the nether mill-stone. Material progress is the upper mill-stone. Between them, with an *increasing* pressure, the *working* classes are being ground."

Here then is the issue. Is there an increasing pressure on the working classes? If so, is it caused by private ownership of land, and commensurate with progress?

The remedy which Mr. George proposes for the supposed evil is very simple. He says, "We must make land common property" (p. 51), and its effects are to be as complete. At present "our primary social adjustment . . . in allowing one man to own the land on which, and from which, other men must live . . . turns the blessings of material progress into a curse. It is this that crowds human beings into noisome cellars and squalid tenements; that fills prisons and brothels, that goads men with want and consumes them with greed; that robs women of the grace and beauty of perfect womanhood; that takes from little children the joy and innocence of life's morning" (p. 84). But the effect of adopting Mr. George's remedy is to be: "words fail the thought. It is the golden age of which poets have sung! It is the glorious vision that has always haunted man with gleams of fitful splendour. It is what he saw, whose eyes at Patmos were closed in a trance. It is the culmination of Christianity—the City of God on earth, with its walls of jasper and its gates of pearl. It is the reign of the Prince of Peace" (p. 85).

Alas, it is not so. Would that it could be!

It is apparently the impression in some quarters that Mr. George, who frequently uses the term "lowest classes" to

describe those supposed to be affected by the alleged increase of want with wealth, refers only to the "residuum" found in the slums of our great cities. This, however, is not consistent with the whole tenour and evident aim of the book; it is expressly contradicted by the passages which I have quoted, and in which I have italicised the words "working classes;" and by Mr George's deliberate argument on page 33 that the wages of skilled labour cannot long remain much above those in the worst paid occupations, or, as he says, "Wages in all strata must ultimately depend upon wages in the lowest and widest stratum; the general rate of wages, rising or falling as these rise or fall."

Mr. George instances the present century as having been marked by a prodigious increase of wealth-producing power, and says substantially that material progress, unparalleled in rapidity, has been made. This, indeed, will need no demonstration. He also selects the British Isles "because, land ownership being more concentrated there, they afford a more striking illustration of what private property in land necessarily involves" (p. 53).

For convenience, I shall confine my examination to England and Wales, which will be most favourable to Mr. George's arguments, as that is by far the richest portion of the United Kingdom. We have thus limits of time and place within which to seek confirmation or disproof of Mr. George's views. While attempting the broader issues, I will deal with some details of the results which Mr. George attributes to material progress. He says (p. 2), "The tramp comes with the locomotive, and almshouses and prisons are as surely the marks of material progress as are costly dwellings, rich warehouses, and magnificent churches. Upon streets lighted with gas . . . the beggar waits . . . in factories where labour-saving machinery has reached its most wonderful development, little children are at work . . . the tendency of what we call material progress is in nowise to improve the condition of the lowest class in the essentials of healthy, happy human life . . . it is to depress still further the condition of the lowest class." There is an antithesis about these assertions which may, with many, stand for proof. Yet each one, so far as it is relevant, is incorrect.

Tramps, beggars, and thieves would naturally prefer rich and populous towns to poor and scattered farms; but there is no reason to suppose that there were fewer relatively of these classes (history rather indicates the contrary) in the feudal times (when, according to Mr. George, private ownership of land did not exist). Within the period of progress under consideration, we can ascertain from statistics that the number of vagrants relieved in 1848 was 13,714, and in 1872 only 2,372; and so far is it from being true that prisons accompany progress, that they are actually at the present date being pulled down in many towns, or diverted to other purposes. I annex a table (A) of the number of convictions for criminal offences (other than summary) from 1840 to 1880, a period during which, owing chiefly to Free Trade and the development of railways, material progress has increased "by leaps and bounds." Taking the two extremes, we see that in 1840 the convictions were 19,927 on a population of 15 $\frac{3}{4}$ millions, and that in 1880 they had fallen to 11,214 on a population of 25 $\frac{1}{2}$ millions. A similar decrease has taken place in the number of offences dealt with summarily, as appears from the number of apprehensions in London in 1831 and in 1871 remaining about the same (72,824 and 71,961 respectively), while the population has nearly doubled. As regards almsgiving, the proportion of wealth devoted to that now is much less than it was in the middle ages, when one fourth of the land of the country was held by the Church, whose income was mainly spent in almsgiving, and in the building of "magnificent churches."

Children do still, it is true, "toil in factories," but they toil for far fewer hours, and under much more favourable conditions of health and comfort than was the case before "labour-saving machinery" had superseded the hand frames and other occupations at which the children of the poor laboured in their homes from dawn to dark.

In our next quotation we found Mr. George stating that "the essentials of a healthy, happy human life" are less within the reach of the lowest class than they were. This, it may be remarked, is almost the only sentence in the book in which Mr. George recognises that material progress is to be measured in something beside the food the labourer

can get. If the "essentials of a healthy, happy human life" consist in such things as better food and clothing, healthier houses, shorter hours of labour, diminished death rate, cheaper books and other means of recreation, education, newspapers, political influence, and the like, who shall say that the "lowest class," even those in workhouses and prisons, have not gained in this age of "material progress?"

Let us now, in order to institute a comparison, see what the condition of the people was in 1785, which was an average year in a prosperous period, before manufactures, aided by invention and discovery, had been developed. In that year, wheat being 48s. a quarter, meat 20s. a cwt., butter 6½d. per lb., and coal 34s. 2½d. per chaldron, carpenters' wages were 2s. 8d. per day, masons' 2s. 10d., and bricklayers' 2s. The sum of two million pounds was spent in relieving the poor of a population of eight millions. As it has been calculated that in the woollen manufacture 460 people were employed in producing what, fifteen years later, when labour-saving machinery had been introduced, ten could do, "material progress" cannot have been the cause of this "poverty and want." Education, books, political liberty, sanitary matters, &c., were of course far behind what they are now. Clothing was more expensive, and (wheaten bread being out of their reach) barley-and-oaten-bread were the staple food of the lower classes.

Turning now to the period of our greatest material progress, we shall find a marvellous difference. The amount of pauperism will give us a certain test of the condition of the "working classes," and more particularly of that of the "lowest classes," whatever interpretation be put on that term. In 1850, wheat being 40s. 3d., and the population 17½ millions, 920,543 paupers, including 151,159 able-bodied ones, were relieved at a cost of £5,395,022. In 1880, wheat being 44s. 4d. and the population 25½ millions, 837,940 paupers, including 126,228 able-bodied ones, were relieved at a cost of £8,015,010 (less than 1 per cent of the national income), being, roughly speaking, a decrease from 1 in 20 to 1 in 30 of the population. The relative number of able-bodied paupers has decreased nearly one-half (see Table A, page 26).

If we glance at Mr. George's own country, where he tells us "prisons are as surely the signs of progress as costly churches," we shall find that the convictions for crime were, in 1850, one in 866 of the population, and twenty years later in 1870, only one in 1,054.

Another way of ascertaining whether the results of material progress have been to depress the condition of the working classes, or even to leave it as it was, is to look at the quantities of such articles as tea, sugar, wool, tobacco, &c., consumed, for it will be admitted that the land owners cannot (Mr. George says they are "a few thousand") for instance, drink so much more tea, or smoke so much more tobacco than the working classes as to materially affect the imports. Indeed, the consumption of tea, sugar, &c., is always taken as the index of the condition of "the people." Now the averages per head in pounds of such articles are, for the years 1845 and 1880 respectively—sugar, $19\frac{1}{2}$ and $62\frac{1}{3}$; tea, $1\frac{1}{2}$ and $4\frac{1}{2}$; rice, 1 and 14; wine, $\frac{1}{4}$ and $\frac{1}{2}$; spirits (including British), $\frac{9}{10}$ and 1; foreign wool, $2\frac{2}{3}$ and $6\frac{1}{2}$; tobacco, 1 and $1\frac{2}{3}$; cotton, $24\frac{1}{2}$ and $41\frac{1}{3}$ (see Table B, page 26, the figures are given more fully).

We have thus seen that there has been, within the selected limits of time (that of the greatest material progress) and of place (that of the country where land ownership is more concentrated), not only no increase of want or crime, not only no persistence of them in the sense of their not diminishing relatively, but an actual, a steady, and an enormous decrease of both.

We have seen also that in "the essentials of a happy, healthy human life," the advantages within the reach of even the lowest have been vastly extended. We are, therefore, justified in concluding that there has been no "increasing pressure on the working classes, commensurate with progress;" and it becomes a matter of no practical importance, in connection with this point, to enquire into the economical effect of land-ownership. That "that causes," as Mr. George says, "an increasing pressure on the working classes," cannot be true, for we have seen that under those conditions of time and place, where it would have been most apparent, there has been no such increasing pressure; that, indeed, the number, relative

to the population, of able-bodied paupers (to take one proof) has decreased by nearly one-half in the past 30 years. Mr. George's theory, must, therefore, be entirely wrong, or at the best, as the law he deduces is inoperative, a mere barren hypothesis.

Most of the remainder of Mr. George's work is taken up by an attempted demonstration of his peculiar theories in political economy. These are more interesting to the theorist than to the practical social reformer, who has seen that the result Mr. George obtains is inoperative in actual society, and, therefore, in that respect, valueless. But it is desirable to follow them and, so far as space will allow, see where some of the fallacious steps of his reasoning lurk. We shall find proof that even if the alleged evil existed, the remedy proposed by Mr. George would be entirely inadequate, and, like his "law," inoperative.

Mr. George's propositions in political economy strike at the root of most of the opinions at present received. This, of course, is no argument against them, but it throws the burden of proof on Mr. George, and justifies his readers in hesitating to accept them. What they are, may be gathered from his own summary on page 14 of Book I., "We have seen that the current theory, that wages depend upon the ratio between the number of labourers and the amount of capital devoted to the employment of labour, is inconsistent with the general fact that wages and interest do not rise and fall inversely, but conjointly. We have seen further that, contrary to the current idea, wages are not drawn from capital at all, but come directly from the produce of the labour for which they are paid. We have seen that capital does not advance wages nor subsist labourers. . . . wages cannot be diminished by the increase of labourers, but, on the contrary, as the efficiency of labour manifestly increases with the number of labourers, the more labourers, other things being equal, the higher should wages be."

These successive propositions are based one upon the other, and tracing them back, we get to "the general fact that wages and interest do not rise or fall inversely but conjointly." This is the corner-stone, and it is well to see what it is made of, for if it crumbles, the edifice built on it will

not stand long. On page 3, Mr. George says, "eliminating from interest the element of insurance . . . interest is high when and where wages are high, and low when and where wages are low." As so much depends on this proposition, we are entitled to ask for complete proof, but all we get is the statement that in California, "when wages were five dollars a day, the ordinary bank rate of interest was 24 per cent. ; now that wages are two dollars or two dollars 50 cents per day, the ordinary bank rate is from 10 to 12 per cent." The proposition necessarily requires that the quantities of labour and of capital seeking employment should never vary relatively, which Mr. George himself is far from asserting. The illustration is defective, for not only has Mr. George not "eliminated the element of insurance," but it is easy to see that, when capital had to go to a new and unsettled country, 3,000 miles away, it demanded and obtained a high reward. Now that the country is settled, the Pacific Railway built, and capital accumulated in the country itself, it is as plain that capital may and must be content with less. Nor does Mr. George's doctrine gain strength by comparison with what goes on in old countries. In India, where wages have always been miserably low, the Institute of Menu, B.C. 900, fixed the legal rate of interest at from 15 to 60 per cent., and it is not much, if any, lower now (when, as Mr. George himself states, the element of risk is much less); while Rent absorbs more than half the gross produce of the soil.

In England, in 1620, we find that a ploughman's wages were 1s. per week and food (wheat being on an average 34s.); land was only worth 12 years' purchase, and the legal rate of interest was 8 per cent.

About 1785 wages were higher, and interest had fallen to $4\frac{1}{2}$ per cent. We thus see that wages and interest do not either rise together or fall together, and that the "general fact" on which so great a superstructure is raised is not a fact at all. However, Mr. George thinks otherwise, and goes on to try to prove that "Wages, instead of being drawn from capital, are in reality drawn from the product of the labour for which they are paid" (p. 4), rightly remarking (p. 4) "all the teachings of the current political economy

. . . are based . . . upon the assumption that labour is maintained and paid out of existing capital before the product which constitutes the ultimate object is secured. If it be shown that this is an error, and that, on the contrary, wages do not *even temporarily trench on capital*, but are directly drawn from the product of the labour, then all this vast superstructure is left without support and must fall." For the purpose of the intended proof, Mr. George defines wages as "whatever is received as reward or result of exertion" (p. 5), and capital as "wealth in course of exchange" (p. 8), making the very important and quite arbitrary reservation (p. 8) that "wealth in the hands of the consumer" is not capital. That is, that the wealth on which the labourer subsists is not capital, thus assuming in a definition what by means of it he intends to prove. Mr. Mill's definition is quoted in a note to p. 9 by Mr. George, who does not see that by defining differently, it is easy to obtain different results. Thus, like so much of Mr. George's work, this also rests on a rotten foundation.

In illustration (which is not proof) of his view, Mr. George says:—"Men do not eat or abstain, wear clothes, or go naked as they propose to engage in productive labour or not" (p. 12). It is to my mind very certain that men do regulate the quantity and quality of the food they eat, and of the clothes they wear, by their prospect of their engaging or not being able to engage in productive labour; that is, of being subsisted by capital. If, having consumed their accumulation of the produce of past labour, which kept them in a condition to engage in future labour (and which is surely as much capital as is the coal burning overnight in a boiler to keep up steam for the next day's working), they cannot find capital to employ them, they are quickly driven to exist on common capital in the workhouse.

Mr. George does not seem quite satisfied with his arguments, for he says that "although logically sufficient" it would be "hardly safe to . . . leave the argument to turn on the distinction between wealth and capital" (p. 12), and he seeks to enforce his proposition by some instances which would be convincing if they were not fallacious. The first one is that of Robinson Crusoe, who had only to devote

“part of his time” to procure food, while he was building his canoe. That he had to accumulate food before he could build his canoe; and that he consumed that food while he was building his canoe, is quite consistent with Mr. Mill’s definition of capital, as quoted by Mr. George (p. 9 note), and quite contrary to Mr. George’s proposition that wages (in this case the canoe), instead of being drawn from capital (the food-wealth saved from antecedent productive labour, and used to produce more wealth), are drawn from the product (*i.e.* the canoe) of the labour for which it (here, the canoe) is the reward.

Mr. George next supposes that 100 men are landed on a desert island where fish and berries are so abundant that the labour of part will furnish enough daily to supply all, while the majority cultivate the soil. In other words, a division of labour is made, part accumulate food, and the rest cultivate the soil. Evidently these latter are supported by the produce of the past labour (whether one hour or one year old makes no difference) of the others. It is to be noticed that in this instance, as in that (in chapter 3) of the naked man picking up berries, Mr. George supposes the existence of desert islands where berries and fishes are plentiful enough to subsist any number of men—say 10,000—until the crops they have sown (it is not clear where the seed-corn would come from) have grown and ripened. I do not know that even in California such bounteousness on the part of nature can be relied on, and if the fishes and berries failed before the crops were ripe, the men might have to eat each other, as shipwrecked sailors have had to do before now. This and similar illustrations lead up to the startling, and, on the face of it, absurd statement that, “just as the subsistence of the labourers who built the Pyramids was drawn, not from a previously hoarded stock, but from the constantly recurring crops of the Nile valley;” so is it—a somewhat lame conclusion—“that the subsistence of labourers engaged in production which does not directly yield subsistence comes from the production of subsistence in which others are simultaneously engaged.” The chapter is entitled “The maintenance of labourers not drawn from capital,” and the result reached is that, by the division

of labour, different kinds of work are done by different sets of men. The word "simultaneously" is, of course, as meaningless here, as it would be absurd in the statement that the Lancashire operatives are to-day living on the wheat which the farmers of Minnesota are "simultaneously" sowing. The latent meaning of this part of Mr. George's argument appears to be that the demand of the labourer who produces pyramids at one end of the scale, stimulates the supply of wheat at the other end, which is very like the old law of Supply and Demand. Mr. George disregards the time which must elapse in the natural course of things before the farmer can produce and bring his wheat into the hands of the pyramid builder. What does the latter live on meanwhile?

Nor is Mr. George more successful in his attempt to show "that the maintenance and payment of labour do not even temporarily trench on capital" (p. 4). Even if we grant, what Mr. George has not proved, that capital does not subsist labour, it does not follow that capital is not "even temporarily trenched on." The cases which Mr. George adduces in proof are inconclusive; the metayer, the whaler, the seal catcher are partners, taking a fixed proportion of the variable produce; not labourers at fixed wages.

And when Mr. George asks, triumphantly, at what point is capital lessened even temporarily, we may cite from page 31, as evidence against himself, his own dictum that, "as capital can only be used by being consumed . . . its production by labour must be commensurate with its consumption in aid of labour," clearly stating that capital is used and must be reproduced, which surely, if we are to take words when used by Mr. George as having their ordinary meanings, admits that capital *is* trenched on and temporarily lessened; (cf. also a similar admission on p. 24).

We now come to an argument which seems more than ever inconsistent with what professes to be close and accurate reasoning. On page 10 we read, "What does the rendering of labour in production imply? Evidently the production of wealth which, if it is to be exchanged [or used in production] is capital." The words I have placed in brackets are an expansion, scarcely admissible in the

middle of an argument, of Mr. George's own definition of capital (=wealth in course of exchange, p. 8). The main point here, however, is the proverbial virtue of an "if." Mr. George quite omits to say what the rendering of labour in production implies "if" the wealth produced is not *to be* exchanged; though even if it is ultimately to be exchanged, that is very different to actually *being* in course of exchange, which Mr. George's definition of capital requires. This careless handling of terms results in Mr. George speaking of the unfinished products of labour (boots, the Great Eastern, the St. Gothard Tunnel, picks and ploughed fields) as so much capital. No doubt they are wealth, but, while unfinished, they have not exchange value to the full extent of what they have cost; and if we are to accept them as capital, then indeed has capital been trenched on in production. A similar instance of something like juggling with words appears on page 11, where Mr. George argues, "the creation of value does not depend on the finishing of the product; it takes place at every stage . . . and hence . . . labour always adds to capital by its exertion before it takes from capital its wages." Certainly, the employer has value for the wages he pays, but that value is not necessarily capital. It is not "in course of exchange."

This slippery kind of reasoning is what we are asked to accept as the new economic gospel. Those who think that too much is made of verbal inaccuracy would find it instructive to try to interchange "value" and "capital" in other parts of the argument.

So far, we have not met with the logical demonstration which we had a right to expect, and we must pronounce Mr. George's new theories unproved, and the current ones unshaken.

The next question is, what are the "other things" which, "being equal," give the result that, "the more labour . . . the higher should wages be?" (p. 14.) This brings Mr. George in collision with the Malthusian theory, thus stated by him (p. 15), "That population, constantly tending to increase, must, when unrestrained, ultimately press against the limits of subsistence, not as against a fixed, but as against an elastic barrier, which makes the procurement of

subsistence progressively more and more difficult. And thus, wherever re-production has had time to assert its power, and is unchecked by prudence, there must exist that degree of want which will keep population within the bounds of subsistence." Of this theory Mr. George goes on to say (p. 17) that "the facts marshalled in support of it do not prove it, and the analogies do not countenance it . . . and there are facts which conclusively disprove it." It is a little difficult to disentangle his arguments from the web of rhetoric in which they are involved, but I think that I may fairly summarise the more important ones as follows : (1) That on the whole it is likely that the world had a greater population at one time than now, and that "in no considerable country can poverty and want be fairly attributed to the pressure of an increasing population." (2.) That in no code of religion is any prudential restraint indicated. (3) That in such typical cases as India and Ireland, the periodical famines are due to misgovernment. (4) That the division of labour in densely populated countries makes labour more efficient than it would be in sparsely-peopled countries. It is not my intention to enter fully into the whole question, but I may say briefly that, if the population of the whole globe is less now than it has been, that as little affects the Malthusian theory as it would affect Mr. George's theory, if I were to plead that in Africa and South America there are vast quantities of land not monopolised. The theory of Malthus depends on the existence of such checks on population as war, pestilence, or famine; and the most superficial reader knows that these have been in full operation since, and doubtless before, history began.

Mr. George may fairly argue that some of these, or even all, are due to bad government; but imperfect government is one of the factors of social existence, and must be dealt with, it matters not whether as a prime factor or as seen in its results, in any theory which seeks to explain the phenomena of that existence. Since civilisation began, nations have been trying to improve their governments, and have found it more difficult than even to improve their theories. It is, therefore, no answer to Malthus to say that the checks he speaks of are not natural but political. And

as few men have yet been found who can govern their own affairs perfectly, so there is little reason to hope that aggregations of men will soon appear who can govern nations with perfect wisdom. Nor is the evidence of ancient creeds much to the point. I might, indeed, show that the sterility of the mountains of Thibet rooted the practice of polyandry there; but it is sufficient to remember how low the value of human life was among the ancients, and is, to-day, among semi-civilised people like the Turks, and among savages. The preventive checks of war and pestilence were so actively at work that there was certainly no need for legislators in India or Patestine to recommend prudential ones. It is only in modern times and countries that the Malthusian theory comes actively into operation. Taking, of those instanced by Mr. George, in the first place, India, I find no reason for thinking that famines are more frequent or deadly now than they were before England gave peace and organisation, security for life and property, to that vast region. It seems to me that the results of England's rule are a good return for what Mr. George calls (p. 19) "an enormous sum, estimated as at least £20,000,000 annually (raised from a population where labourers are in many places in good times glad to work for 1½d. to 4d. a day), is drained away . . . a tribute for which there is no return." This "enormous sum" is less than 1s. 8d. per head per annum.

The subject of Ireland is for many reasons a painful and difficult one. In 1805, the population was estimated as under 5½ millions; in 1841 it had increased to over 8 millions, subsisting on the potato. When that failed, an historic famine vindicated Malthus. If there had been no rent to pay, the result would have been possibly less aggravated, but none the less appalling. It is indeed certain that very little rent was paid in those terrible famine years. And Mill justly says, that if there were no rent, such results might be retarded, but could not be prevented. Buckle's theory (referred to by Mr. George, p. 18) that a cheap prolific food, like maize, rice or potatoes, leads to a rapid increase of population, which is liable to famine, when there is a failure of the crop; seems to me the only true explanation

of the sad phenomena; and I think that a remedy can only be found in the direction indicated by a saying, attributed to Lady Morgan, that "the Irish peasantry would not be better off until they made up their minds not to eat their potatoes without bacon." The gradual elevation of the standard of comfort or requirements is, I think, the active and hopeful force at work in improving the condition of the people. The inadequacy of Mr. George's remedy, if applied to Ireland, will be seen on a moment's consideration. At the time of writing, great distress is said to prevail among the cottiers settled on the barren slopes of the Donegal hills; while in the fertile valleys below are only herds of cattle, grazing. Mr. Davitt and the *Freeman's Journal* say that the mountaineers should displace the oxen, and till what now are pastures. This may be so, but, under Mr. George's system, it would not be possible; the land would be leased to the highest bidder, and the highest bidder would be the man who could make the greatest profit out of the land (which, it seems, owing to the moist climate, the raiser of cattle can do), unless the necessities of the peasant compelled him to offer, as now, an impossible rack-rent. I do not say that my sympathies are not with the peasant; here it is not a question of my personal views on Land Reform, but of the soundness of Mr. George's theories.

Another of Mr. George's arguments against Malthus is the statement that "wealth is greatest where population is densest; that the production of wealth to a given amount of labour increases as the population increases;" but I hardly think that it is true of England, and it is certainly not true of Saxony or Belgium, without qualification.

The explanation of this may be found in Mr. George's description (p. 21) of London and its trade. "London," he says, "may grow to a population of . . . a thousand millions, for she draws for subsistence upon the whole globe." That is so, but it is due to the exchange of manufactured articles for food products, of which London is the centre. The dense population of London lives on the labour of the less thickly populated parts of the world. If English export trade were to cease to-morrow, London and England would, despite their dense population, soon

feel the pangs of starvation. If on the other hand, all (instead of one-third as now) of the population of England were to cultivate all the soil of England, it could doubtless produce enough food to maintain itself (instead of only about one-third as now), but a failure of the crops, such as we have repeatedly seen within the last five years, would initiate famine; as surely as the same chain of circumstances produces it in Ireland. Once again, then, must we withhold assent to Mr. George's theories and their supposed triumphant demonstration.

Mr. George is now face to face with the problem as to what causes the depression of labour which he assumes to exist in old communities. According to him, it cannot be want of capital or pressure of population. He accordingly proceeds to show, that "effects attributed by current theories to over-population, are really due to the progress of invention" (p. 38), for "where land is entirely appropriated, as in England, or where it is either appropriated, or is capable of appropriation, as rapidly as it is needed for use, as in the United States, the ultimate effect of labour-saving machinery or improvements is to increase rent without increasing wages or interest" (p. 38).

His argument, as I understand it, runs something like this: The more a man has, the more he will want; and as nothing can be obtained ultimately but from land, when all this is monopolised, the demand for it will increase rent. To use his own words (p. 59), "to state this truth more concisely, wealth in all its forms being the product of labour applied to land or the products of land, any increase in the power of labour, the demand for wealth being unsatisfied, will be utilised in procuring more wealth, and thus increase the demand for land."

Now this proposition can only apply where the land of all countries, reached by tradé—by exchange—is monopolised; and it also depends on the "products of labour applied to land" not admitting of indefinite applications of labour. That is, the proposition may, under circumstances, be true of agriculture; it is not true of manufactures, which require but a small space of land to work on; and even this small space is diminished when new inventions increase the

effectiveness of labour, as when the introduction of chlorine set free many acres of grass land previously used for bleaching; or where a fast printing machine does the work of a hundred in the space of three or four.

This will be apparent from the illustration (p. 39) which Mr. George appends to his proposition. I regret that it is too long to quote here in full. He supposes the existence of a country where the land is in possession of but a portion of the people, and where the population does not increase. Here, he thinks, the progress of labour-saving invention would set free capital and labour, and these would increase rent by demanding fresh land to employ themselves on; thus showing that the increase of rent is independent of increase of population, and is caused by labour-saving invention. The double fallacy in this illustration is, not seeing that "the demand for wealth being unsatisfied" the labour and capital set free by labour-saving invention would turn to manufactures (for instance, if, by improvements in ploughs, eight men could do the previous work of ten, the two set at liberty might make clothes) which need not increase rent; and, secondly, that, with increased efficiency of labour, not accompanied by an increase of population, labour would be in a position to demand a greater share of the product, in the form of higher wages or shorter hours of labour. "The demand for wealth being unsatisfied" would primarily act on the wealthiest part of the community, that is, the landlords, who would bid for labour. Their wants would increase more quickly than inventions set labour free; and labourers, not increasing, would fix their own price. At least, that is the experience of ordinary life. Nor is it true of agriculture, that labour-saving inventions must increase rent; as clearly appears from the great fall of rents produced, in this country, by the competition of the corn lands of America, which is directly due to one of the most important of labour-saving inventions, that of the railway.

The holding of land back from use for speculative purposes is also (p. 40) stated by Mr. George to be a potent agent in forcing up rent. Of this, I can only say that I do not think that much land is lying unused in this country on that account; and here, as also near San Francisco, I should

expect that owners, unwilling to sell in anticipation of a rise in value, would nevertheless be glad to lease at market prices.

In the chapters we have just been considering, Mr. George has apparently given up the "increase" of poverty, which he at first assumes, for, on pages 34 and 39, he carefully calls attention to his present meaning, that it is the proportion of the whole produce given to labour which decreases, not that wages get less; but on page 40 he grows more emphatic again: "The great problem" he says ". . . is now, I think, fully solved, and the social phenomena, which all over the civilised world appal the philanthropist and perplex the statesman . . . and suggest doubts of the reality and ultimate goal of what we have fondly called progress, are now explained. The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living, is that, with increase of productive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages."

This is the sum and substance of George-ism, and we may now turn to an examination of the remedy he proposes. This is very simple: "We must make land common property" (p. 51). In order to effect this, Mr. George says (p. 57): "It is sufficient if the people resume the ownership of the land. Let the landowners retain their improvements." And further (p. 62), "I do not propose either to purchase or to confiscate private property in land . . . let the individuals who now hold it . . . buy and sell and bequeath and devise it. We may safely leave them the shell, if we take the kernel. It is not necessary to confiscate land; it is only necessary to confiscate rent." And (p. 63) "What I therefore propose, as the simple yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government, and carry civilisation to yet nobler heights, is—to appropriate rent by taxation."

This is a splendid promise, and, if attainable, would be

cheaply purchased by the proposed disturbance of existing arrangements. It will be my melancholy duty to show that the proposed remedy is only a visionary one. I do not intend to follow Mr. George in his proposal to change the landlord into a tax-gatherer. For many reasons, I believe this arrangement would break down, and I will therefore at once come to what Mr. George admits would "meet all economic requirements by at one stroke abolishing all private titles, declaring all land public property, and letting it out to the highest bidder, in lots to suit, under such conditions as would sacredly guard the private right to improvements" (p. 62). In order to further simplify the argument, I will assume that this has been done, and that we have arrived at a stage at which the tenant-right, *i.e.*, the owner's right to compensation for improvements, has been bought up by the State, and is to be sold with the land. Not only to induce intending tenants to bid high, but in order that the land might be put to the use most profitable to each tenant, and, therefore, in the aggregate, to the State, it would be necessary to let the land on fairly long leases; say, for the sake of illustration, 15 years for agricultural land, and 99 years for building land, with full compensation for tenants' improvements, and with freedom to sub-let or divide (the power to sell interests in leases or tenant-right would unavoidably have to be allowed, and from that would flow powers to sub-let or divide). Indeed, it is generally known that restrictions in leases are a considerable impediment to the improvement of land, and therefore injurious to the community. If applied to the whole country, instead of, as at present to only a portion, the evil effect would be more than correspondingly increased. If the rights to sub-let and divide were not allowed, a farmer, for instance, whose capital had diminished would not be able to let part of his acres to a wealthier neighbour; the heirs of another would have to carry on the farm or give up the lease, in either case possibly at great loss; in a town, a manufacturer would not be able to obtain land to increase his works until, in a generation or two, his neighbours' leases expired, and so on. In fact it is certain that such restrictions would be so much in conflict with the interests of the community

that, if enacted, they would inevitably be evaded. I do not find that Mr. George has noticed this point, yet it is the one on which the whole scheme chiefly hangs; for if the new tenants have power to sell their leases, or their tenant-right, to sub-let, or to divide, they would be in exactly the same position as the landlords of to-day, and, as Mr. George says (p. 50), would be the case if the Ulster Tenant Right was extended to the whole of Great Britain: "It would be but to carve out of the estate of the landlord an estate for the tenant. The condition of the labourer would not be a whit improved . . . Economic rent would increase, and would still steadily lessen the proportion of the produce going to labour and capital." Only when the leases fell in would there be a gain to the State, which would receive an increased rent, corresponding to the meanwhile increased land value, now spoken of as the un-earned increment. It is very remarkable that Mr. George does not see that the remedy he proposes would only effect a change of monopolists; it is more remarkable still that he recommends a use of the rents obtained by the State, which, according to his previous contention, would only increase rent without increasing wages. I refer to the use of rents in remission of taxation. "The abolition of all taxes save on rent values" might tempt Americans heavily burdened by protective duties, but it is not quite so attractive in England where few desire that beer, spirits, &c., which provide the chief part of the revenue, should be free of duty. Let us, however, assume this done, and the expected surplus distributed, as Mr. George suggests, among the community (p. 68), "in public benefits to all its members . . . the weak with the strong, young children and decrepit old men, the maim, the halt, and the blind, as well as the vigorous," and presumably, although Mr. George does not mention them, among the idle and the vicious. These public benefits would, *inter alia*, according to Mr. George (p. 70) take the form of "public baths, museums, libraries, gardens, lecture rooms, music and dancing halls, theatres, universities, technical schools, shooting galleries, &c." I imagine that it would not be long before the voice of the proletariat commuted these public benefits (which, even in rent-ridden England

are not unknown, thanks to material progress) to cash payments. This however, by the way.

If now, we turn back to pages 46 and 47, we shall see Mr. George arguing that "a reduction in the amount taken from the aggregate produce of a community by taxation would be simply equivalent to an increase in the power of net production. It would in effect add to the productive power of labour just as do the increasing density of population and improvements in the arts. And as the advantage in the one case goes and must go, to the owners of land, in increased rent, so would the advantage in the other."

Consequently, as the new tenants would, while their leases lasted, be landowners, they would, during that time, get the whole advantage—at least, by Mr. George's theory. This would be true even if these new tenants had not power to sublet or divide, for they would have to pay less for labour and for capital, both of which would be able to work for less reward, if, by the remission of taxes, the cost of subsistence were reduced. We see then, that, theoretically, the remedy would fail.

Practically, also, it could not succeed. This will surprise many, but it is none the less true. The estimated rental of England and Wales, including London, amounts to £109,355,320. This amount corresponds with that, just 8 millions less for England and Wales, without the Metropolis, given in the "Domesday Book" returns laid before Parliament in 1876. Instead of being shared, as Mr. George states (p. 50) only by a "few thousand landowners," it is divided among 972,836 (perhaps an unimportant, but surely a characteristic inaccuracy). From these one hundred and ten (say) millions we should have to take the value of the landlords' improvements, which would remain their property. What this may be is difficult to ascertain, but it will not be unreasonable if we, considering the great works of reclamation, draining, building, &c., that have been done, put it at one-half, or £55,000,000. When the question was raised in Ireland last year, in consequence of the clause called Healey's clause, in the Land Act, it was stated that the original, or "prairie" value of the land of Ireland was about £3,000,000, or about one-fifth of the alleged rack-

rental. This was doubtless an exaggeration, but it shows that our estimate of one-half is liberal towards the Land Nationalisers. From the £55,000,000 remaining, we should have to take at least £5,000,000 for expenses of management, so we should have £50,000,000 in hand, which would, it is supposed, enable us to abolish all taxation and leave a surplus in hand for public benefits, such as have been described.

Now, it so happens that the taxation (local as well as imperial) of England and Wales amounts to £74,000,000 ; so that, after pulling up the pillars of society, the confidence and security which encourage industry, we should still be unable to abolish taxation. We therefore see that Mr. George's scheme, mistaken in its origin, illogical in its development, and futile in its recommendation, is inadequate to perform even the very first part of its programme. Fifty millions may seem a great deal, but it is not much more than half of what is annually spent in England and Wales on drink alone. This fact suggests that by less ambitious schemes we may go on, as we are undoubtedly doing, to raise the condition of the lower classes ; and it at least leaves it clear that revolutionary proposals, though they sound promising, may be poor in performance.

TABLE A.

Year.	Population.	Convictions.	Able bodied Paupers.	Total Paupers.	Cost of Relief.	Average Price of Wheat.	
					£	s.	d.
1840	15,730,000	19,927	.....	.....	.....	66	4
1845	16,739,000	17,402	.....	.....	.....	50	10
1850	17,773,000	20,537	151,159	920,543	5,395,022	40	3
1855	18,829,000	19,971	144,500	851,369	5,890,041	74	8
1860	19,902,000	12,068	136,761	851,020	5,454,964	53	3
1865	21,085,000	14,740	170,136	971,433	6,264,966	41	9
1870	22,457,000	12,953	194,089	1,079,391	7,644,307	46	10
1875	23,944,000	10,954	115,209	815,587	7,448,481	45	2
1880	25,480,000	11,214	126,228	837,940	8,015,010	44	4

TABLE B.

Consumption per Head in Pounds.

Year.	Sugar.	Tea.	Rice.	Tobacco.	Wine.	Spirits.	Foreign Wool.	Cotton.
1845.....	19.51	1.59	1.08	0.94	0.24	0.91	2.66	24.36
1850.....	25.35	1.87	1.63	1.01	0.23	1.04	2.19	20.46
1855.....	30.86	2.27	3.88	1.09	0.23	0.92	2.50	27.51
1860.....	34.61	2.66	5.94	1.22	0.25	0.94	4.06	39.40
1865.....	40.75	3.26	2.04	1.36	0.40	0.90	4.33	22.75
1870.....	48.00	3.78	6.72	1.34	0.50	1.02	5.36	35.36
1875.....	65.17	4.36	11.66	1.45	0.54	1.31	5.84	38.06
1880.....	62.33	4.66	14.31	1.42	0.47	1.05	6.56	41.31

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