

"PROGRESS AND POVERTY."

A CRITICISM.

Progress and Poverty. An Inquiry into the Causes of Industrial Depressions, and of Increase of Want with Increase of Wealth. The Remedy. By HENRY GEORGE. London: Kegan Paul, Trench & Co.

THAT witty and learned writer, Cliffe Leslie, whose early death science so deeply regrets, used to reproach American economists for putting forward religion in their economic researches, and for seasoning their theories on the production of riches with Biblical citations. Mr. Henry George's book, the title of which heads this article, fully merits such a reproach; for evangelical sentiments penetrate it from beginning to end, and its pages at times bear marks of pulpit eloquence. For myself, however, I do not consider Mr. Leslie's opinion to be well founded. Political economy is not like the natural sciences, independent of philosophical and religious belief; and Mr. George is wrong in thinking that it may, in a certain sense, be looked upon as "*as exact a science as geometry.*" For instance, the economic march of our Western States has been very considerably modified by the idea of the equality and fraternity of all men which the Gospel spread abroad in the world. In olden times society was based on slavery. At the present day slavery is looked upon as a crime. It has been abolished, and now the production of wealth is accomplished by free labour; and aspirations towards equality are the cause of the social uneasiness which affects at the present time all countries where it obtains access. Again, the population question, which, according to Mill, is far above all others in this category, must be answered quite differently, according as the famous precept, "Increase and multiply," is accepted or rejected.

Geometry is an exact science, because it argues on abstract and perfectly defined notions: two and two make four alike for the Atheist and the Deist. Political economy, on the contrary, treats of the production of riches—that is to say, of the things that satisfy men's wants; and men's wants, and their working activity, vary in accord-

ance with their ideas of happiness and duty, or concerning their destiny in this life and the next. The Neapolitan lazzaroni is happy basking in the sunshine, with two pennyworth of maccaroni; but his happiness is wholly different from the American dollar-hunter's. Consequently, Mr. George is by no means wrong when he gives great importance to the religious element in his study of social questions.

The German jurist, Immanuel Fichte, foresaw a complete transformation of society under the influence of Christianity:—

“Christianity,” he says, “yet carries in its breast a renovating power of which we have no conception. Hitherto it has only acted on individuals, and through them on the State indirectly. But whoever can appreciate its power, whether he be a mere believer or an independent thinker, will confess that it is destined some day to become the inner organizing power of the State, and then it will reveal itself to the world in all the depth of its ideas and the full richness of its blessings.”

The problem Mr. George purposes to study is this: How is it that riches on the one hand, and misery on the other, make equal progress; and whence does it arise that, the more opulent the city, the more extreme are its poverty and pauperism?

“Just as a community realizes the conditions which all civilized communities are striving for, and advances in the scale of material progress, just as closer settlement and a more intimate connection with the rest of the world, and greater utilization of labour-saving machinery, make possible greater economies in production and exchange, and wealth, in consequence, increases, not merely in the aggregate, but in proportion to population, so does poverty take a darker aspect. 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 and patrolled by uniformed policemen beggars wait for the passer-by, and in the shadow of college, and library, and museum, are gathering the more hideous Huns and fiercer Vandals of whom Macaulay prophesied.”

It was the spectacle of the rapid development of San Francisco and other cities in California which suggested this problem to Mr. George. When the best house was but a cabin of logs, and every man was forced to daily work, he saw no beggars around him; there was no luxury, but no destitution; no one had an easy nor a very good living, but every one could make a living, and no one willing to work was oppressed by the fears of want. Now that the cities of the Golden State are as peopled and as rich as those on the coasts of the Atlantic, men in rags and barefooted and half-naked children are to be seen there, just as in New York or London.

One of the initiators of the Socialist movement in Germany, Professor Winkelblech, was led by a similar impression to write a very curious book, which he published under the name of “Marlo,” and entitled “Untersuchungen über die Organisation der Arbeit oder System der Weltwirtschaft” (“Inquiries into the Organization of Labour, or System of Universal Economy”), 1853. During a visit to the North of Europe to study the progress of industry, and on leaving the factory of Modum, in Norway, he pauses for a moment to gaze once more on the

valley in which this city rises. While he stands thus absorbed in the lovely scene before him, a German workman approaches and begs him to be the bearer of a message to his native land. Conversation strikes up. The workman relates his history, and tells how small his wages are, and what privations he has to endure to make them suffice for mere subsistence. This leads Marlo to reflect. How comes it, he thinks, that this charming valley, which looks like a corner of Paradise, is the seat of so much misery? Is it the fault of man or of Nature? Nature is fruitful, machinery is powerful, resources unlimited; why, then, does poverty not only exist, but increase? Is not this the result of bad laws, and would it not be possible to find better? He forms at once the resolution to search the depths of this mystery; and the result of his meditations was a book which death prevented him from finishing. The volume "Progress and Poverty" was similarly inspired.

The following are, in few words, the conclusions Mr. George arrives at. If misery develop simultaneously with riches, it is because the soil has become unduly the property of private individuals, and the proprietor is enabled to retain an ever-increasing share in the products of labour, as the population increases and the means of production are brought to perfection. In order to put an end to this iniquity, and to insure to the producer the full enjoyment of his produce, it would be necessary for land to become collective national property. This plan has already been advocated in England under the name of "the Nationalization of Land."

In order to give a scientific basis to his system, Mr. George commences by submitting certain economic principles—generally admitted to be fundamental—to a most severe, subtle, and specious criticism. Although Mr. George may partially triumph over the incorrect definitions and contradictions unfortunately to be met with too often in the classical works of our science, I maintain that his criticisms are, at the bottom, without foundation; and I may add that I am convinced this is not the right way to bring about any radical reforms. No social order can be changed by "straw splitting." Two eminent socialists, Proudhon and Karl Marx, overwhelmed economic doctrines with their brilliant and cutting dialectics; and science did not advance one single step in consequence. If the doctrine of Christ has transformed the world, and if it still continue to influence it more and more, as it gains greater sway, it is because it places before humanity a higher ideal of right and justice. Do you advocate a more perfect organization of property? Prove that this organization will be more favourable to the general welfare and more in conformity with justice. Considerations similar to these induced Mr. Gladstone to deal to property in Ireland the heaviest blow it has ever suffered, and led Prince Bismarck's economic counsellor, the learned Berlin professor, Dr. Adolf Wagner, to recommend the placing of houses and building lands in large towns in the hands of the corporations.

The first great error for which Mr. George reproaches official political economy concerns the theory of wages. In accordance with this theory, wages are drawn from capital, and the more abundant the capital the higher the wages. Quite the contrary is the truth, says Mr. George: *Wages instead of being drawn from capital are drawn from the product of the labour for which they are paid; and where interest is high, indicating a scarcity of capital, wages are high also.* Wages and interest go up and down simultaneously; and not in inverse ratio. In California, when interest was at 24 per cent., wages were 4 and 5 dollars a-day; when interest fell to 7 and 8 per cent., wages were at 2 dollars; and in Europe, where interest is at 2 or 3, indicating a plethora of capital, wages are at half a dollar. It is not difficult, either, says Mr. George, to prove that wages are drawn from the product of the labour for which they are paid. Indeed, when wages are paid in kind, that is to say in wealth of the same species as the labour produced,—as, for instance, if I hire men to dig potatoes, agreeing to give them in wages a portion of the potatoes dug,—it is evident that no capital is required for the payment of wages which come directly from the produce of the labour. When I engage to pay them in money, the phenomenon is the same at the bottom. The workman gives first the fruit of his labour; he gives even ordinarily a week or a fortnight's advance, and when he is paid, he merely receives the equivalent, slightly diminished, of the produce created, and then given out by him, from day to day. It is not otherwise even with regard to undertakings which last for years—as, for instance, the construction of an ironclad, or the piercing of the St. Gothard Tunnel. Each time a workman is paid, he gives in exchange a portion of the work he has already accomplished. So it is evident that everywhere, as in the case of the potato-gatherer paid in potatoes, each labourer, in performing the labour, really creates the fund from which his wages are drawn.

In each part of his thesis, Mr. George has been misled by an insufficient analysis. Let us examine the first point, the case of California, where, he says, wages were high when capital was scarce, while in Europe capital is abundant and wages low. The rate of wages depends on the connection existing between the number of workmen seeking and finding employment on the one hand, and the amount of capital on the other. Mr. George omits this last clause, which is decisive. True, there is more capital in England, but there are also many more workmen. I do not hesitate to say, that relatively to the amount of wages paid, the amount of capital advantageously employed in California far exceeds that in England. In California every field labourer or small proprietor possesses his tools, his land, his timber, or his mines; and there are scarcely any hired workmen because every one sets up on his own account. In order to induce an able man to work for wages, you must offer him a very large share in the produce, which is considerable; wages are therefore, of necessity, high. In England, capital employs workmen

only when they are to be had cheap, for the profit to be made is much reduced by competition. The demand for a labourer at two dollars a day, which was unlimited in California, could not exist in England, for his labour there would not be worth two dollars. Interest is also high in California for the same reason as wages. If, in cultivating the soil, or turning a forest to account, I can gain 30 or 40 per cent. on my outlay, I can well afford to pay 15 or 20 per cent. on my loan, and to give good wages to those I employ to assist me. We see, then, that in California capital demands hands at any price, and in unlimited number; whereas in England the demand is limited, and at a low price. The theory of economists therefore holds good.

Is it true that wages are drawn from the product of labour, and not from capital? Here, again, Mr. George has not bestowed sufficient care on his analysis. Certainly, wages, like everything else consumed in a country, are the proceeds of labour; but capital itself also proceeds from labour. For what is capital? It is the produce of previous work consecrated to a fresh enterprise. It is invariably the produce of this previous labour—i.e., capital, which is the means employed to pay the wages for the present undertaking. Let us take the simplest possible example—Robinson Crusoe on his island. In the first instance, while awaiting his harvest, he lives on the provisions he brought from the ship; in other words, his wages are drawn from a previous capital. The harvest gathered, he puts aside the provisions, which are a new capital, and lives on them until his labour has procured him fresh means of subsistence. Thus Robinson draws his wages from his capital.

Mr. George defines capital as *wealth in course of exchange*, and he comprises under this heading all riches handed over to others, but not wealth employed by the person to whom it belongs. The result of this singular definition would be that in primitive countries,—among the Slavs of the Danube, for instance,—where each family provides enough for its own wants without having recourse to exchanges, there would be no capital at all.

Even if I pay a workman by giving him a share in the harvest, capital has made the advance to him of the food and nourishment necessary to enable him to plant and gather it in. If I pay him at the expiration of a week or a fortnight, he has been obliged to live in the meantime, and he has lived either on provisions of his own, or, as is more frequently the case, he has purchased on credit. Either he or the tradesman, therefore, has advanced capital, and the wages paid go to replace the capital advanced. The master also, as a rule, advances the raw material which the workman's labour turns to account, and this also is capital. To be brief, Mill's aphorism, the more we reflect on it, strikes us the more and more forcibly as indisputably true: "*There can be no more industry than is supplied with material to work up and food to eat.*" The strength which the worker expends on his work has been drawn from the produce of previous labour; that is to say, from

capital. No one can possibly upset these truths, which are clearly evident. It does not follow that the theory of the wages-fund is true; for if the total riches produced in a country is a fixed quantity, the share in the sum total which would fall to each agent of production, either in land, labour, or capital, is not fixed. It varies with different customs, with the result of competition, convention, or the exactions of one or other of these agents. If the workman be master of the market, he obtains a large share as wages. If land or capital have the upper hand, the rate of wages falls.

Mr. George next attacks the theories of Malthus and Ricardo, even as they were formulated by Stuart Mill. He will not admit that pauperism may spring from an excess of population, nor will he allow that it is necessary to make what use you can of poorer and poorer soil as the population continues to increase. The productive power of labour, he says, becomes greater as mankind increases in number. There is nowhere such great riches as in England, which is full of a very great and ever-increasing population. It is proved by statistics, that if population double in the United States every twenty-five or thirty years, capital accumulates, and the annual revenue per head increases, with still greater rapidity. The richest countries in the world are not those where Nature is most prolific, but those where labour is most efficient. The Malthusian theory, which attributes want to the decrease of the productive power of labour, is utterly inconsistent with all the facts observed. It is really a gratuitous attribution to the laws of God of results which certainly spring from the misinterpretation of them. I think that Mr. George is right when he speaks of present facts, but wrong when he tries to upset Mill's theories in principle. When he denies the application to the societies of men of the Darwinian theory of the struggle for life, his pages are at the same time just and eloquent. Agassiz spoke of Darwinism as "Malthus all over;" and Darwin himself says the struggle for existence "is the doctrine of Malthus applied, with manifold force, to the whole animal and vegetable kingdoms" ("Origin of Species," chap. iii.) The Malthusian and Ricardian doctrines, that poverty is due to the pressure of population against subsistence, and that the tendency to increase in the number of labourers must always tend to reduce wages to the minimum on which labourers can reproduce, are thus supported by this doctrine of natural science concerning the law of evolution which is so generally accepted now. But there is a great distinction between man and all other living beings, which destroys the analogy so readily and so lightly accepted. Animals take only what they find, and their increase is at the expense of their food; but the increase of man involves the increase of his food. He alone gives play to reproductive forces more powerful than his own. "Man and hawk eat chickens; but the more hawks the fewer chickens, while the more men the more chickens. Both seal and man eat salmon; but when a seal takes a salmon there is a salmon the less; and if seals increased too rapidly,

salmon must diminish, while by placing the spawn of the salmon under favourable conditions, man can so increase the number of salmon as to more than make up for all he may take." As long as man lived on the produce of his hunting and shooting, like beasts of prey he was limited by the amount of game to be found; but since he has called into play, to his advantage, that mysterious power of multiplication, which is life, in plants and in animals, he himself may increase in number without being tempted to slaughter his fellow-man.

Mr. George is right in maintaining that present misery is not due to the niggardliness of Nature and to certain inevitable laws, but to the imperfections of our institutions. When the Irish cottier eats only potatoes, and is even unable to add to this frugal repast the flesh of the pig who shares his dwelling; when the Egyptian fellah is reduced to pauperism, in spite of his ceaseless labours on the most fertile soil the world can boast of; when the Italian *contadino* falls a victim to the *pellagra* from the exclusive use of maize; when in India the peasants die from famine, it is perfectly certain that it is because rent and taxes have taken all the net profit from their industry. Had the food been left to those who raised it; had the cultivators of the soil been permitted to retain the use of the commodities their labour produced; had security stimulated industry, they all would live in sufficient comfort. In countries where poverty is deepest, the forces of production are now evidently strong enough, if well employed, and well directed, to provide for the lowest a boundless satisfaction of all their wants. How different would be the condition of the labouring classes if they were not obliged to provide out of their hard earnings for the millions expended on the maintenance of a permanent army and navy, for war debts, and the squanderings of luxury and false wants.

But in spite of all Mr. George's just remarks, Mr. Mill's theory is as true as ever:—

"It is in vain to say that all mouths which the increase of mankind calls into existence bring with them hands. The new mouths require as much food as the old ones, and the hands do not produce as much. If all instruments of production were held in joint property by the whole people, and the produce divided with perfect equality between them, and if in a society thus constituted industry were as energetic and the produce as ample as in the present time, there would be enough to make all the existing population extremely comfortable; but when that population had doubled itself, as, with existing habits of the people, under such an encouragement it undoubtedly would in little more than twenty years, what would be their condition?"—*Principles of Polit. Econ.*, i. 13, § 2.

The only reply to this is, that general well-being, far from increasing the multiplication of species, diminishes it,—an example of which this in France,—always, be it understood, on the condition that there has been responsibility, and that ease is the result of diligence and not of laziness. It must be remembered that Mill's calculations are true, not only for the distant future, but for the present time. When in parts of the globe, like Flanders, for instance, there are 280 people to every 240

acres of land, or more than a head per acre, the soil can no longer furnish to all sufficient animal nourishment for the preservation of health. If the United States farmer pay his workmen one, or even two, dollars a day, it is because the soil yields sufficient to repay him. If, here, in Flanders, we give but a shilling to our agricultural labourers, it is because the work he accomplishes is not worth more. If we were obliged to pay him a dollar, all the land would lie waste. Even after 1873, when wages rose slightly in Belgium, a great deal of arable land was replanted with timber, because cultivation would have been dead loss. The agricultural economist, Von Thünen, explained it thus. The rate of wages, he said, is determined by the amount the last piece of useful labour that it was advantageous to have executed brought in. If labour be too dear, the work is not done, and the labourer has but to disappear. If he wish to gain a livelihood, he must lower his wages till a master can employ him with profit to himself. Capital earning small profit can only pay low wages.

I come now to the essential part of Mr. George's work. If misery and riches spread simultaneously, the cause, he says, is the defectiveness of the laws with regard to the distribution of property. The rent of land, entirely monopolized by proprietors, increases with every step in the path of progress, and thus a heavy tax is placed on the net produce of all social ameliorations, and this at the cost of wages and interest.

Ricardo's law of rent, as formulated by Mill, may be looked upon as a demonstrated truth, in spite of the attacks to which it has been subjected. Here is this law expressed in few words:—*The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use.* Thus, as a consequence, if all of the produce beyond the amount which labour and capital could secure from land for which no rent is paid must go to landowners as rent, then all that can be claimed by labour and capital as wages and interest is the amount which they could have drawn from land yielding no rent, or, as Mr. George puts it in algebraic form—as $\text{Produce} = \text{Rent} + \text{Wages} + \text{Interest}$, therefore $\text{Produce} - \text{Rent} = \text{Wages} + \text{Interest}$. This is the reason why in new countries, although production of wealth is not very large, and the rate of wages and interest is high, no tribute is paid to the land. In old countries much more wealth is produced, but wages and interest are low, because they pay a heavy proportion to the soil.

Mr. George here proceeds to analyze all the causes which induce a rise of rent. The first of these is an increase of population. He describes very vividly the results of this, because he has witnessed it in California, and given the subject very close study there. So long as an acre of good land is to be obtained for a dollar, no rent is paid. Soon, however, a village is formed, and land there and in the neighbourhood attains a higher value; this rapidly increases as the village spreads, and when it has grown to the proportion of a town, the fortune

of the landowners becomes suddenly enormous, and many of them are millionaires before they know it. This is evidently because the growth of national riches is concentrated in their hands. At the same time wages fall, because the workman can no longer find so advantageous an employment for his labour as before. When land has but to be taken, if I wish to induce a labourer to work for me, I must give him the full value of the produce he could have procured for himself; but when remunerative employment is more difficult to be obtained, I need only pay him the wages to be gained at the lowest point of cultivation. This is Von Thünen's law in another form, and it is also Ricardo's and Mill's law of population, which Mr. George has denied. At all events, it is quite impossible to dispute the truth of this:—

“It is an universal fact that where the value of land is highest, civilization exhibits the greatest luxury side by side with the most piteous destitution. To see human beings in the most abject, the most helpless and hopeless condition, you must go not to the unfenced prairies and the log-cabins of new clearings in the backwoods, where man single-handed is commencing the struggle with Nature, and land is yet worth nothing, but to great cities, where the ownership of a little patch of ground is a fortune.”

It has been remarked that all agricultural progress, tending to diminish the cost of production and of provisions, raises rent, for it increases the farmers' profit. Improved roads, railways, quicker and less costly means of exchange, produce the same effect; for the cost of transport and exchange is either directly or indirectly a charge on the producer. Mr. George maintains that all that abridges labour and renders it more productive is gain for the rent. Wealth, he says, in all its forms being the product of labour applied to land, or the product of land, any increase in the power of labour will be utilized in procuring more wealth, and thus increase the demand for land. This proposition, I think, cannot be assailed. If the means be found for manufacturing cloth or linen at a cheaper rate, more wool and more flax becomes necessary, and consequently, unless fresh sources for the production of these raw materials open up, wool and flax rise in price, and at the same time the soil which produces them. According to Professor Rogers, in his admirable book, “History of Agriculture and Prices in England,” rent is fourteen times as great as it was five hundred years ago.

The Government statistics published in Belgium show exactly what has been the rise in the price of land and in rent there since the year 1830:—

Increase per cent. in value of Land Rent.

From 1830 to 1846 . . .	22·20	...	30·13
„ 1846 to 1850 . . .	12·14	...	2·94
„ 1850 to 1856 . . .	16·80	...	17·14
„ 1856 to 1860 . . .	26·63	...	24·39
„ 1860 to 1866 . . .	4·40	...	5·88

There is a constant increase until 1873, when rent had doubled since 1830,

and at the same time the average price of corn had scarcely risen. If rent has increased to this extent, it has of necessity absorbed the greatest part of the net profit of all the material improvements that have taken place during the last forty years. Since 1873 the rent of land has considerably diminished all over Europe, on account of the competition of America; but this is a mere passing phenomenon, which in no way attacks the law of the continued increase of rent regarded in its entirety. Thanks to free trade, the soil of Europe and of America forms one great country, and what Europe has lost in the way of rent, America has more than gained. It may therefore be affirmed that, considering all lands together as one great market, rent has not ceased to increase, and that it will continue so to do so long as riches and population also augment.

But I think that Mr. George is wrong in stating that this increase is the sole cause of the inequality of conditions. There is another, no less important,—viz., the constant increase of capital. One of the German "fathers" of scientific Socialism, Rodbertus-Jagetzow, proved beyond a doubt that the share in the total production absorbed by capital increases as the means of production are improved, while the relative portion received by wages diminishes. It is true, the workman gains somewhat by industrial progress, for as the use of machinery lowers the price of many wares, he is better provided for than formerly, but the forestalments absorbed by capital are far more rapid. When corn was ground by hand, as in old times, nearly the full value of the grinding was paid in wages. If, to grind by steam only one-third of the hands previously employed are necessary, their wages will absorb but one-third of the profit on the operation of the grinding; the other two-thirds will become the remuneration of realized capital. The hands whose employment machinery rendered no longer necessary will find work elsewhere: but at what? At manufacturing articles which the capitalist proprietor of the steam mill will buy by means of the profit obtained on his capital. Take another example: when provisions are transported on men's backs, as at the present time in Central Africa, the full cost of the transport goes in wages. A railway is opened, and almost all the profits go to cover the immense outlay of capital employed in its construction, for two men suffice to manage a train capable of transporting at least as many goods as a thousand men could carry. One glance round suffices to confirm this fact. In the Middle Ages the number of persons living on the interest of capital was exceedingly few. Nearly all the rich, with the exception of some few usurers, lived on the product of land. Now, in countries where civilization is advanced, as in England, more than half of this class of persons live on the interest of their capital, which is placed in loans of different States, in debentures, and in securities, incalculable in number, and of all kinds and descriptions. Who occupies the pretty houses and villas which are

springing up in every direction in all prosperous towns? Certainly more than two-thirds of these occupants are fresh capitalists. The value of capital engaged in industrial enterprises, mines, railways, manufactories, telegraphs, &c., exceeds that of land itself; and its power of accumulation is far greater than that of ground-rents. The immense fortunes amassed so rapidly in the United States, like those of Mr. Gould and Mr. Vanderbilt, now proverbial, were the results of railway speculation, and not of the greater revenues or value of land. We see, then, that the increase of profits and of interest takes a much larger proportion of the total product of labour, and is a more general and powerful cause of inequality, than the increase of rent.

Mr. George next proceeds to examine the different means proposed to remedy this excessive inequality and to improve the condition of the labouring classes: greater economy in government, better education of the working-classes, and improved habits of industry and thrift, combinations of workmen for the advance of wages, co-operation of labour and capital, Government direction and interference, more general distribution of land; and he endeavours to demonstrate that all these remedies would be wholly inefficacious, and would produce but one effect—viz., an increase of rent, which is the necessary result of all social ameliorations. In point of fact, Mr. George here reproduces the arguments which induced first Turgot and afterwards Ricardo to say that the wages of the workman are, of necessity, reduced to what strictly suffices for his maintenance and perpetuation; but this can only be true when every social amelioration leads to an increase in their number, and thus again reduces them to strict necessities. Unless their numbers increase, there is no reason why they should not benefit by the advantages brought to them by social progress. At all events, I cannot admit that a more general distribution of land would not ameliorate the condition of agriculturalists. In support of his theory, Mr. George does me the honour of quoting what I wrote in the Cobden Club volume on *Tenure of Land*, referring to the small proprietors in Flanders. I stated there that small Flemish farmers were far more rack-rented than the tenants of English landlords, even in Ireland; but this, of course, does not apply to small proprietors who have a share in all the advantages that economic progress may bring to the possessors of the soil.

I now reach the most important point of all,—the point which led Mr. George to take up his pen: the question of private property in land. He contests even its legitimacy, and maintains that it is a downright injustice. He devotes many eloquent pages to the development of Mr. Herbert Spencer's doctrine, which it is necessary to quote here in his own words:—

“Given a race of beings having like claims to pursue the objects of their

desires—given a world adapted to the gratification of those desires, a world into which such beings are similarly born, and it unavoidably follows that they have equal rights to the use of this world. For if each of them ‘has freedom to do all that he wills, provided he infringes not the equal freedom of any other,’ then each of them is free to use the earth for the satisfaction of his wants, provided he allows all others the same liberty; and conversely, it is manifest that no one, or part of them, may use the earth in such a way as to prevent the rest from similarly using it; seeing that to do this is to assume greater freedom than the rest, and consequently to break the law. Equity, therefore, does not permit property in land. For if *one* portion of the earth’s surface may justly become the possession of an individual, and may be held by him for his sole use and benefit, as a thing to which he has an exclusive right, then other portions of the earth may be so held; and our planet may thus lapse altogether into private hands.

“Observe now the dilemma to which this leads. Supposing the entire habitable globe to be so enclosed, it follows that if landowners have a valid right to its surface, all who are not landowners have no right at all to its surface. Hence such can exist on the earth by sufferance only. They are all trespassers—save by the permission of the lords of the soil they can have no room for the soles of their feet. Nay, should the others think fit to deny them a resting-place, these landless men might equitably be expelled from the earth altogether. If, then, the assumption that land can be held as property involves that the whole globe may become the private domain of a part of its inhabitants, and if, by consequence, the rest of its inhabitants can then exercise their faculties, can then exist even, only by consent of the landowners, it is manifest that an exclusive possession of the soil necessitates an infringement of the law of equal freedom. For men who cannot ‘live and move and have their being’ without the leave of others cannot be equally free with these others. . . . We find that, if pushed to its ultimate consequences, a claim to exclusive possession of the soil involves a landowning despotism. . . . And we find, lastly, that the theory of the coheirship of all men to the soil is consistent with the highest civilization; and that, however difficult it may be to embody that theory in fact, equity sternly commands it to be done.”—*Social Statics*, chap. ix.

A French philosopher, F. Huet, in a very remarkable book, too little known,—“*Le Règne Social de Christianisme*” (1850), book iii. chap. 5, —expressed the same ideas as Mr. Herbert Spencer many years before he did. The eminent German professor Zachariæ says, in his work, “*Büchern vom Staat*,” “Property in land is a reduction of the wages which might belong entirely to the labourer, if the soil were not the object of an absolute monopoly. All the sufferings against which civilized nations have to struggle may be referred to the exclusive right of property in the soil as their source.” The philosopher Krause, in his “*System der Rechtsphilosophie*,” and his disciple, Professor Ahrens, author of the best book on “*Naturrecht*,” regard property as a natural right belonging to every one as a necessary condition of man’s liberty and individual development.

Locke, who has formulated the theory of property generally accepted by the economists, starts from this general principle: “Every one ought to have as much property as is necessary for his support;” and he adds this :—

“The measure of property Nature has well set by the extent of man’s labour

and the conveniences of life. No man's labour could subdue or appropriate all; nor could his enjoyment consume more than a small part; so that it was impossible for any man this way to entrench upon the right of another, or acquire to himself a property, to the prejudice of his neighbour, who would still have room for as good and as large a possession. This measure, we see, confines every man's possession to a very moderate proportion, and such as he might appropriate to himself without injury to anybody."—*Civil Government*, chap iv.

These arguments of Huet, Herbert Spencer, Zachariæ, Krause, and Locke, are exceedingly forcible, and, as far as justice is concerned, it is difficult to find any sound reasoning against them; but if it were proved that private property in land is necessary for the advance of agriculture, it would impose itself in spite of every theoretic objection; for men instinctively seek what is most profitable to themselves. Mr. George will probably recollect that in my book on "Primitive Property" I showed that collective possession of land was an ancient and universal custom, whereas private property was recent; but if private property has gradually everywhere replaced collective possession, it must present some advantages, and indeed so soon as improved culture necessitated the employment of capital on land, private and perpetual property became the natural and necessary reward of these labours. I am disposed to believe, with Stuart Mill, that a better form of collective possession, sufficing to determine all schemes for amelioration, might be discovered; and I think that, notably, leases of eighty or ninety years would suffice to this end, as in England half of the houses in London, and on the Continent all the railways, are constructed on lease. I here wish merely to remark that in studying economic institutions their utility must before all be considered and compared.

Mr. George, holding that private property in land is at once unjust and contrary to the happiness of mankind, advocates its abolition, which, he states, would be the infallible remedy for the present social suffering and evils. It will be argued that this is the revolutionary Utopia of extreme Communists. Mr. George is not only no Communist, but he is not even a Socialist of the school of the Katheder-Socialisten, the professors in German Universities. He is opposed to all extension of State power, the abuses of which he has clearly seen in the United States, and he proposes to realize this radical reform, the nationalization of land, in the most simple manner—by increasing ground-rents so as entirely to absorb the rentals. In support of his system, Mr. George can appeal to very important authorities. This is what Mrs. Fawcett says on the subject, in her little compendium of the writings of her husband, "Political Economy for Beginners":—

"The land-tax, whether small or great in amount, partakes of the nature of a rent paid by the owner of land to the State. In a great part of India the land is owned by the Government, and therefore the land-tax is rent paid direct to the State. The economic perfection of this system of tenure may be readily perceived."

That the plan of Mr. George is not a wild vagary is shown by no less eminent a thinker than Mr. Herbert Spencer, who ("Social Statics," chap. ix. sect. 8) says of a similar system :—

"Such a doctrine is consistent with the highest state of civilization, may be carried out without involving a community of goods, and need cause no very serious revolution in existing arrangements. The change required would simply be a change of landlords. Separate ownership would merge into joint-stock ownership of the public. Instead of being in the possession of individuals, the country would be held by the great corporate body—Society. Instead of leasing his acres from an isolated proprietor, the farmer would lease them from the nation. Instead of paying his rent to the agents of Sir John or His Grace, he would pay it to an agent or deputy-agent of the community. Stewards would be public officials instead of private ones, and tenancy the only land tenure. A state of things so ordered would be in perfect harmony with the moral law—under it all men would be equally landlords, all men would be alike free to become tenants. Clearly, therefore, on such a system, the earth may be enclosed, occupied, and cultivated, in entire subordination to the law of equal freedom."

When we see such a staunch "individualist" as Mr. Herbert Spencer endorsing this system, we may be sure that it has not the least flavour of Communism. The Universities of Oxford and Cambridge, as corporate bodies, are in possession of large plots of land, the revenue of which is devoted to the public good. Generalize this system, and the plan of Mr. George is accomplished. The State owns the Saarbruck collieries in Germany, and in Belgium the railways. Ownership in both these cases presents many more difficulties than the mere possession of the soil.

The eminent forerunners of Adam Smith, the Physiocrats of the eighteenth century, the great upholders of the landlords of their time, demanded the abolition of all taxation, and its replenishment by a single tax on land. *L'Ami des Hommes*, the father of Mirabeau the orator, pretended that the proposal of the Physiocrats was a discovery equal in utility to the invention of writing or the substitution of the use of money for barter.

Mr. George pushes the Physiocratic notions to the extreme, for his tax on land would entirely absorb the rent. He could therefore suppress all other taxes, either direct or indirect. He finds no difficulty in demonstrating that his "rent-tax" would fulfil all the conditions insisted upon by economists—ease and cheapness of collection, certainty of proportionability, &c.

Mr. George next draws a brilliant and seductive sketch of the advantages which would accrue from an application of the system he so ably advocates. The State revenue would in no way affect prices, for rent is the result of an increase in prices, but an increase in prices is not produced by increased taxation on land. The suppression of all taxation, of all customs, and especially of obstacles and impediments of all kinds therefrom engendered, would lead to an extraordinary development of enterprise and of the production of riches, and, consequently, to a marvellous accumulation of capital. No doubt on this point is possible.

Moved by considerations such as these, I myself wrote against those Governments which, like the United States and Australia, possess large tracts of land, which they sell freehold, instead of letting it on very long lease, thus deliberately robbing the future. If they would let their land on lease, all culture and building thereon would proceed just as it now does. The splendid mansions built in the West-end of London, on land belonging to the ground landlord, are sufficient proof of this. At the end of ninety years, on the falling in of the lease, the State would be in possession of all the land, with all that has been constructed on it, just as the Governments on the Continent will possess all the railways after sixty or seventy years.

...While willing to admit the advantages of the tax-rent, which Mr. George so ably explains, I do not see in it the complete solution of the social problem. In the first place, Mr. George does not sufficiently consider the important question as to what use the revenue thus placed at the disposal of the State would be put to. This point is carefully examined by M. Agathon de Potter, in "La Philosophie de l'Avenir," in which he strongly defends the views of a Belgian reformer, the Baron de Colins, who, since the year 1850, has demonstrated, in a great number of books published by his disciples, the principle of the return of land to collective possession; and this with less talent, it is true, but with as much precision as Mr. George.* If the revenues be expended fruitlessly by the State, the economic situation becomes worse instead of better. In Egypt, although a small shadow of property is considered as belonging to the fellahs, all the net profit goes to the State. The extreme poverty of these honest labourers of the banks of the Nile, so hard-working and docile, and always so oppressed, is well known. In the Bombay province, where the soil certainly belongs to the State, the lot of the peasants is better than in the other Indian provinces, where the Zemindars have to be kept.† But even there we do not by any means find the Eden Mr. George dreams of. Apply his system in France. As the budget of public expenditure, including the communal and departmental expenses, exceeds £160,000,000, and as the revenues of land do not attain this sum, the rent would, of course, be entirely absorbed, while the workman's condition would not be improved; at all events, not directly. For the State to be able to do as M. Agathon de Potter proposes—viz., give gratuitous instruction to all citizens, and even a small capital, as an instrument of labour,

* A banker of Königsberg, who belongs to the Extreme Left of the Katheder-Socialisten, M. A. Samter, has expounded ideas very similar to those of Colins in his books, "Die Sociallehre," and "Gesellschaftliches und Privat-Eigenthum." M. Samter is of opinion that the soil, as well as mines and railways, should belong to the State and Communes, so as to counterbalance the power of private property, the rights of which are much more exclusive and less limited than formerly. *Vide* also Achille Loria, "La Rendita Fondiaria." Milano: Höpli, 1881.

† *Vide* the Essay of Sir George Campbell on Land Tenure in India, in the Cobden Club volume on the "Tenure of Land in Various Countries."

to every adult, it would be necessary to efface from the budget almost every item now contained therein.

But I must present another still more serious objection, because it affects the very basis of Mr. George's economic theories. He takes no note of the sums which capital absorbs under the forms of interest and dividends, nor of the influence exercised by the increase of population. The enormous impetus which would inevitably succeed the suppression of all taxation would certainly multiply the number of industrial enterprises, increasing at the same time their profits, and consequently the remuneration of the capital therein engaged. The larger share of the benefit realized by the nationalization of land would therefore, we see, go to capitalists. Workmen would also gain by it in the beginning, for there being a larger demand for hands, they could ask for and obtain higher wages, but on condition they did not increase in proportion with their increased well-being. Otherwise the competition for employment would lower their wages to their former level, and the benefit would all go to the State in an increase of revenue, and to capitalists as an increase of interest and deposits. In my opinion there is but one true cure for the social evil: it is individual property generalized and assured to all.

I do not think it possible that any of us can now accurately foresee what will be the legal and economic institutions of the future. It is on this account that all plans for reformation appear to us Utopias; but we must not speak ill of Utopian schemes. They are "the leaven that leavens the lump," the seed of all progress. Can there exist a more sublime Utopia than that of the Gospel? The dream, the hope of a better and higher ideal, is the cause of all reformation. It is not difficult to form a pretty true idea of what is Right and Justice, although it may be hard to determine in what manner they will be realized. In my book on "Primitive Property," I endeavoured to show that all the best established and most generally accepted theories on property arrived at the same conclusion, that every one should be possessed of a share. It is commonly said that property is the condition of liberty, and that is true. But then, as every man must be free, every man must also have some property. "Property, it is said, is the condition of personal dignity and of individual development." Certainly; but in that case it is not allowable to make a privilege of it, unless we wish to see the mass of mankind degraded and enslaved.

The doctrine that property is a natural right is commonly adopted by those who are against all plans of social reform. But they do not see to what this system leads. If property is a natural right—that is, a right resulting from the very nature of man—it follows that we can deprive no man of it. In order to support himself by labour, they say, man should be able to appropriate a portion of the soil to cultivate by his labour. Precisely; but by man we must understand all men; for all,

in fact, are unable to exist, except by appropriation of some kind. Hence it follows that the right of appropriation is general, and that as every one must work to live he must have something to work upon.

The great German philosopher Hegel says in his "Rechtsphilosophie," § 49: "Jeder muss Eigentum haben"—"Everyone ought to be possessed of property." Schiller has rendered the same idea in two verses which contain the whole philosophy of history:—

"Etwas muss er sein eigen nennen,
Oder der Mensch wird morden und brennen."

—"Man must have something that he may call his own, or he will burn and slay." *Vide* Ireland.

By natural law is understood either, as in the seventeenth and eighteenth centuries, the sum of the laws which human instinct follows in the "state of Nature;" or, as nowadays, the laws which are in conformity to the nature of man, and which reason discloses. Natural law, in both these acceptations, sanctions the right of property recognized in all.

I think I proved in "Primitive Property," from history, that the natural right of property was spontaneously admitted, by a sort of common instinct, in all primitive societies, and was not only recognized but practised. Every head of a family possessed his share in the collective domains belonging to his tribe,—in the first instance, to hunt and shoot over them, then to use them as pasture for his cattle, and finally, when agriculture was introduced, to cultivate them. For a great length of time, and even at the present date, in many countries, as in Russia and Java, arable land belonging to the commune is regularly divided between the different families, so that none should be left without any land, and obliged to live on the bounty of the others. When I explained this system, with some care, I did not at all foresee its establishment in our societies, based as they are on the division of labour; nor did I wish, as has been more than once stated, to claim for each inhabitant of London or Paris half an acre of land; but I endeavoured to prove by facts that humanity has long realized and believed in the natural right of property. I may add, that this is the only way of escape from the sad results of Ricardo's laws concerning rent and wages, and from the simultaneous advance of riches and misery of which Mr. George speaks. The end to be gained is this—To every man the means for carrying on his daily labour: land for the cultivator, implements and raw material for the artisan. In this manner every individual would enjoy the full fruits of his labour, and the formula of justice, "To every one according to his work," would be generally applied. The future will reveal to us the manner in which this ideal will be reached; but we can already see that if each rural family owned its farm, as in Norway or in the Alpine cantons of Switzerland, and each industrial labourer possessed a share in the factory in which he is employed, as is the case in the co-operative societies of Rochdale and Oldham, the end would

be very nearly attained. Generalize these facts in such a way that the progress of social order may assure to each labourer's family a share in the general domain, so as to give to him the integral produce of his labour, and the social problem will be almost solved.

I have also explained the ancient institution which still exists in the Alpine cantons of Switzerland under the name of *Allmend*, and which, to a certain extent, brings into effect the natural property law. The commune possesses forests, pasturage, and arable land. The forests supply the inhabitants with the means of building, repairing, and warming their houses; the pasturage feeds a certain amount of cattle; and the arable land is given in lots, one to each father of a family for life, so that he may obtain from it potatoes, fruit, and vegetables. The traveller who takes the road from Interlaken to Bönigen passes by the *Allmend* of this commune, which is cultivated like a garden. In this manner the peasant is bound to the mother soil—the *alma mater*—by the strongest economic ties. All the moralizing influences of the possession of property act upon him. He feels himself free, for he owns land, and need therefore never fear absolute pauperism. What could be easier than in new countries, like Australia and the United States, to set aside part of the public lands as an *Allmend*? In several communes of Switzerland and of Belgian Luxembourg the revenue from the communal properties covers all public expenses, and there is no local taxation. I visited recently in Italy the commune of Possagna, the birthplace of Canova. The great artist willed to it his entire fortune, £80,000 sterling. The revenue of this has enabled the commune to build admirable schools, a college, hospitals, a museum, public promenades, fountains, &c. It is a real Garden of Eden. The population is more civilized, better educated, a happier and a finer race than in the surrounding district. Suppose that in Ireland each village possessed a communal fund like Possagna, of say a hundred thousand pounds, and an *Allmend*, as in Switzerland, assuring thus to each family a patch of pasturage and an acre of land for potatoes, what a transformation would be effected!

In the latter years of his life, Stuart Mill devoted much of his time and energy to the defence of the idea that it is both just and of utility to attribute to the State every increase of rent which is the result, not of the proprietor's labour, but of the general progress of society. Under this form Mr. George's plan might be applied in a certain measure, for it is unassailable from both the economic and the judicial point of view; but if it became a question of taxation absorbing the entire rent the opposition would be enormous. It is perhaps possible that a reform of this kind may be one day voted in such a country as England, where the soil is in the possession of a limited number of families, and where the principle of the right to property in land has already been radically modified, and even suppressed, as in the Irish Land Bills; but such a

step could not be even thought of in France, where five or six million small proprietors constitute the great majority of the electoral body. We must not forget that the 35 centimes increase in ground-rent, levied as an exceptional tax for the public weal, was the loss of the Republic in 1848; and that the Republic of 1870, far from raising the land taxation, uses all the means in its power to reduce it.

I can but unreservedly approve the elevated views of the future in store for modern society which terminate Mr. George's book. I also believe that if Democracy do not succeed in effecting a more equitable distribution of property and of the produce of men's labour, it will perish amid corruption and anarchy, and finally end in Caesarism. The picture which the author draws of the vices which growing inequality is developing in the noble institutions of America is really fearful, and, I suspect, not in the least exaggerated. A philosopher and economist, Destutt de Tracey, proves clearly that the evolution of inequality leads to decadence.

"Society," he says, "being a security for our persons and possessions, develops also our faculties. This development increases wealth, and this increase leads more or less rapidly to an unequal division of property; this is followed by inequality of power, which society begins by restraining, and was indeed created to suppress, but which, triumphing, enfeebles society, and sometimes even causes its complete dissolution."—*Eléments d'Idéologie*, iv. 10.

The destiny of modern democracies is already written in the history of ancient democracies. It was the struggle between the rich and the poor which destroyed them, just as it will destroy our liberties, unless we guard against this danger. The ancient legislations did not fail to recognize the fundamental truth, so constantly repeated by Aristotle, that liberty and democracy cannot exist without equality of conditions; and consequently, to maintain this equality, they had recourse to all kinds of measures:—inalienability of patrimonies, limitations on the right of succession, maintenance of collective ownership as applied to forests and pasturage, public banquets in which all took part—the *sussitia* and *copis*. But all these precautions were insufficient to check the progress of inequality, and then the social struggle began, putting against each other the two classes, almost as far separate in their interests as two rival nations, just as in our societies now. As Plato said (*Rep.* iv.): "Each of the Greek States is not really a single State, but comprises at least two: one composed of the rich, the other of the poor." "The Greek cities," says M. Fustel de Coulanges (*"La Cité antique"*), "were always fluctuating between two revolutions, the one to despoil the rich, the other to reinstate them in possession of their fortune. This lasted from the Peloponnesian war to the conquest of Greece by the Romans." Boeckh, in his celebrated work on the Political Economy of the Athenians, expresses himself in nearly the same terms (*"Staatsk. der Ath."*, i. p. 201). Polybius sums up this lamentable history in a sen-

tence: "In every civil war the object was to displace fortunes."* No writer has understood better than Aristotle the startling problem which the constitution of a democratic society involves. "Inequality," he says, "is the source of all revolutions, for no compensation can make amends for inequality" ("Polit. L.," v., c. 1.). To prevent insurrections and revolutions, it is therefore necessary that every citizen should have some property. "Make even the poor owners of a small inheritance," he says. "A State, as Nature intends it, should be composed of elements approaching as nearly as possible to equality." Then he goes on to show that in a State composed of a rich class and a poor class struggles are inevitable. "The conqueror regards the government as the prize of victory," and turns it to account to oppress the vanquished. Montesquieu, summing up the doctrines of the ancients, reiterates again and again that equality of property is the only basis of democracy.

Inequality was also the cause of the downfall of the Roman Empire. In vain Licinius Stolo, the Gracchi, and other Tribunes of the people, endeavoured by means of agrarian laws to re-establish equality. On one hand extended the great domains, and on the other slavery. A disinherited proletariat replaced the class of small citizen proprietors who were the very marrow of the republic. There was no longer a Roman nation. Out of the extreme inequality rose, as is always the case, despotism. Pliny sums up the whole drama in one sentence, which explains all ancient history: "Latifundia perdidere Italiam et provincias." At Rome, as in Greece, inequality, often stifling liberty, destroyed the State itself.

In modern States the social difficulty is immensely greater. Formerly, as labour was executed by slaves, dissensions between the rich and the poor were no hindrance to the production of wealth. But nowadays the labourers themselves come down into the arena, and the battle is fought out on the field of labour. Social struggles could not, therefore, be prolonged without entailing the disorganization of society. Then, again, the ancients not admitting the natural equality of men, the slave had no claim either to suffrage or property. But with us the equality of all men is an accepted dogma, and we grant to all the same political rights. The slave has become a citizen; he votes, and may enter Parliament. What is even more than that, Christianity is an equalizing and even a communistic religion. The Gospel is the good tidings brought to the poor, and Christ was not the friend of the rich. If the ancient republics, reposing on slavery, did not succeed in maintaining democratic institutions side by side with inequality of conditions, how much more difficult will it not be for us, with a philosophy, a conception of right, and a religion, admitting and breathing equality for all?

Modern democracies will only escape the destinies of ancient demo-

* Vide the important work recently published by an Hungarian writer, Julius Schvarcz, "Die Demokratie von Athen." Leipzig: Duncker & Humblst. 1882.

cracies by adopting laws which will realize the supreme maxim of justice—*To every one according to his work*; so that the well-being of each may be proportioned to the co-operation which he gives to production. To attain this result, quiritary ownership, such as the Romans, men of conquest and masters of slaves, have bequeathed to us, is not sufficiently flexible and human. Without returning to the forms of primitive property, I believe we may borrow from the Germanic and Slavonic system of possession principles more consonant with the requirements of democracy and Christianity, because they recognize in every man the natural and individual right of property. Mr. Gladstone, the great lover of justice, has shown in his Irish Land Bill what can be done in this direction.

EMILE DE LAVELEYE.