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A new and fair division of the goods and rights of this world should be the main object of those who conduct human affairs.

—DE TOCQUEVILLE.

When the object is to raise the permanent condition of a people, small means do not merely produce small effects; they produce no effect at all.

—JOHN STUART MILL.

CHAPTER 1 INSUFFICIENCY OF REMEDIES CURRENTLY ADVOCATED

In tracing to its source the cause of increasing poverty amid advancing wealth, we have discovered the remedy; but before passing to that branch of our subject it will be well to review the tendencies or remedies which are currently relied on or advocated. The remedy to which our conclusions point is at once radical and simple—so radical that, on the one side, it will not be fairly considered so long as any faith remains in the efficacy of less caustic measures; so simple that, on the other side, its real efficacy and comprehensiveness are likely to be overlooked, until the effect of more elaborate measures is estimated.

The tendencies and measures which current literature and discussions show to be more or less relied on or advocated as calculated to relieve poverty and distress among the masses, may be divided into six classes. I do not mean that there are so many distinct parties or schools of thought, but merely that, for the purpose of our inquiry, prevailing opinions and proposed measures may be so grouped for review. Remedies which for the sake of greater convenience and clearness we shall consider separately are often combined in thought.

There are many persons who still retain a comfortable belief that material progress will ultimately extirpate poverty, and there are many who look to prudential restraint upon the increase of population as the most efficacious means, but the fallacy of these views has already been

Before presenting our remedy for increasing poverty amid advancing wealth, we will review remedies currently advocated and show that they are not effective.

We may divide these into six classes.

sufficiently shown. Let us now consider what may be hoped for:

- I. From greater economy in government.
- II. From the better education of the working classes and improved habits of industry and thrift.
- III. From combinations of workmen for the advance of wages.
- IV. From the co-operation of labor and capital.
- V. From governmental direction and interference.
- VI. From a more general distribution of land.

Under these six heads I think we may in essential form review all hopes and propositions for the relief of social distress short of the simple but far-reaching measure which I shall propose.

I. — From Greater Economy in Government

Modern governments impose immense burdens.

Until a very few years ago it was an article of faith with Americans — a belief shared by European liberals that the poverty of the downtrodden masses of the Old World was due to aristocratic and monarchical institutions. This belief has rapidly passed away with the appearance in the United States, under republican institutions, of social distress of the same kind, if not of the same intensity, as that prevailing in Europe. But social distress is still largely attributed to the immense burdens which existing governments impose — the great debts, the military and naval establishments, the extravagance which is characteristic as well of republican as of monarchical rulers, and especially characteristic of the administration of great cities. To these must be added, in the United States, the robbery involved in the protective tariff, which for every twenty-five cents it puts in the treasury takes a dollar and it may be four or five out of the pocket of the

consumer. Now, there seems to be an evident connection between the immense sums thus taken from the people and the privations of the lower classes, and it is upon a superficial view natural to suppose that a reduction in the enormous burdens thus uselessly imposed would make it easier for the poorest to get a living. But a consideration of the matter in the light of the economic principles heretofore traced out will show that this would not be the effect. 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 labor just as do the increasing density of population and improvement 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.

From the produce of the labor and capital of England are now supported the burden of an immense debt, an established Church, an expensive royal family, a large number of sinecurists, a great army and great navy. Suppose the debt repudiated, the Church disestablished, the royal family set adrift to make a living for themselves, the sinecurists cut off, the army disbanded, the officers and men of the navy discharged and the ships sold. An enormous reduction in taxation would thus become possible. There would be a great addition to the net produce which remains to be distributed among the parties to production. But it would be only such an addition as improvement in the arts has been for a long time constantly making, and not so great an addition as steam and machinery have made within the last twenty or thirty years. And as these additions have not alleviated pauperism, but have only increased rent, so would this. English landowners would reap the whole benefit. I will not dispute that if all these things could be done suddenly, and without the destruction and expense involved in a revolution,

It is natural to suppose that reduction in the burden would make it easier for the poorest to get a living.

But in England, the resulting reduction in taxation amounts to the same effect as improvement in the arts has been for a long time making. And as these have not alleviated pauperism, but only increased rent, so would reduction in the burden of government.

there might be a temporary improvement in the condition of the lowest class; but such a sudden and peaceable reform is manifestly impossible. And if it were, any temporary improvement would, by the process we now see going on in the United States, be ultimately swallowed up by increased land values.

And the situation is the same in the United States, where reduction in public expenditure could certainly have no greater benefit than the railroad brought, and the same inexorable laws would operate.

And, so, in the United States, if we were to reduce public expenditures to the lowest possible point, and meet them by revenue taxation, the benefit could certainly not be greater than that which railroads have brought. There would be more wealth left in the hands of the people as a whole, just as the railroads have put more wealth in the hands of the people as a whole, but the same inexorable laws would operate as to its distribution. The condition of those who live by their labor would not ultimately be improved.

A dim consciousness of this is seen among those who have nothing to sell but their labor, who look upon the prodigality of government as a good thing, "furnishing employment" or "putting money in circulation."

A dim consciousness of this pervades—or, rather, is beginning to pervade—the masses, and constitutes one of the grave political difficulties that are closing in around the American republic. Those who have nothing but their labor, and especially the proletarians of the cities—a growing class—care little about the prodigality of government, and in many cases are disposed to look upon it as a good thing—"furnishing employment," or "putting money in circulation." Tweed, who robbed New York as a guerrilla chief might levy upon a captured town (and who was but a type of the new banditti who are grasping the government of all our cities), was undoubtedly popular with a majority of the voters, though his thieving was notorious, and his spoils were blazoned in big diamonds and lavish personal expenditure. After his indictment, he was triumphantly elected to the Senate; and, even when a recaptured fugitive, was frequently cheered on his way from court to prison. He had robbed the public treasury of many millions, but the proletarians felt that he had not robbed them. And the verdict of political economy is the same as theirs.

Let me be clearly understood. I do not say that governmental economy is not desirable; but simply that reduction in the expenses of government can have no direct effect in extirpating poverty and increasing wages, so long as land is monopolized.

Although this is true, yet even with sole reference to the interests of the lowest class, no effort should be spared to keep down useless expenditures. The more complex and extravagant government becomes, the more it gets to be a power distinct from and independent of the people, and the more difficult does it become to bring questions of real public policy to a popular decision. Look at our elections in the United States—upon what do they turn? The most momentous problems are pressing upon us, yet so great is the amount of money in politics, so large are the personal interests involved, that the most important questions of government are but little considered. The average American voter has prejudices, party feelings, general notions of a certain kind, but he gives to the fundamental questions of government not much more thought than a streetcar horse does to the profits of the line. Were this not the case, so many hoary abuses could not have survived and so many new ones been added. Anything that tends to make government simple and inexpensive tends to put it under control of the people and to bring questions of real importance to the front. But no reduction in the expenses of government can of itself cure or mitigate the evils that arise from a constant tendency to the unequal distribution of wealth.

No effort should be spared to reduce government waste, and keep government as simple as possible, to reduce the influence of money in politics and make it easier for citizens to understand the issues. But no reduction in the expenses of government can itself cure or mitigate poverty.

II. — From the Diffusion of Education and Improved Habits of Industry and Thrift

There is, and always has been, a widespread belief among the more comfortable classes that the poverty and suffering

It is natural for those who can trace their own better circumstances to superior industry and frugality, and superior intelligence, to imagine that those who remain poor do so simply from lack of these qualities.

But the fallacy is similar to that which would assert that every one of a number of competitors might win a race. One will, but not everyone.

For wages depend, not upon the real produce of labor, but upon what is left to labor after rent is taken out.

of the masses are due to their lack of industry, frugality, and intelligence. This belief, which at once soothes the sense of responsibility and flatters by its suggestion of superiority, is probably even more prevalent in countries like the United States, where all men are politically equal, and where, owing to the newness of society, the differentiation into classes has been of individuals rather than of families, than it is in older countries, where the lines of separation have been longer, and are more sharply, drawn. It is but natural for those who can trace their own better circumstances to the superior industry and frugality that gave them a start, and the superior intelligence that enabled them to take advantage of every opportunity¹, to imagine that those who remain poor do so simply from lack of these qualities.

But whoever has grasped the laws of the distribution of wealth, as in previous chapters they have been traced out, will see the mistake in this notion. The fallacy is similar to that which would be involved in the assertion that every one of a number of competitors might win a race. That any one might is true; that every one might is impossible.

For, as soon as land acquires a value, wages, as we have seen, do not depend upon the real earnings or product of labor, but upon what is left to labor after rent is taken out; and when land is all monopolized, as it is everywhere except in the newest communities, rent must drive wages down to the point at which the poorest paid class will be just able to live and reproduce, and thus wages are forced to a minimum fixed by what is called the standard of comfort—that is, the amount of necessities and comforts which habit leads the

¹To say nothing of superior want of conscience, which is often the determining quality which makes a millionaire out of one who otherwise might have been a poor man.

working classes to demand as the lowest on which they will consent to maintain their numbers. This being the case, industry, skill, frugality, and intelligence can avail the individual only in so far as they are superior to the general level just as in a race speed can avail the runner only in so far as it exceeds that of his competitors. If one man work harder, or with superior skill or intelligence than ordinary, he will get ahead; but if the average of industry, skill, or intelligence be brought up to the higher point, the increased intensity of application will secure but the old rate of wages, and he who would get ahead must work harder still.

One individual may save money from his wages by living as Dr. Franklin did when, during his apprenticeship and early journeyman days, he concluded to practice vegetarianism; and many poor families might be made more comfortable by being taught to prepare the cheap dishes to which Franklin tried to limit the appetite of his employer Kenner, as a condition to his acceptance of the position of confuter of opponents to the new religion of which Keimer wished to become the prophet², but if the working classes generally came to live in that way, wages would ultimately fall in proportion, and whoever wished to get ahead by the practice of economy, or to mitigate poverty by teaching it, would be compelled to devise some still cheaper mode of keeping soul and body together. If, under existing conditions, American mechanics would come down to the Chinese standard of living, they would ultimately have to come down to the Chinese standard of wages; or if English laborers would content themselves with the rice diet and scanty clothing of the Bengalee, labor

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² Franklin, in his inimitable way, relates how Keimer finally broke his resolution and ordering a roast pig invited two lady friends to dine with him, but the pig being brought in before the company arrived, Keimer could not resist the temptation and ate it all himself.

would soon be as ill paid in England as in Bengal. The introduction of the potato into Ireland was expected to improve the condition of the poorer classes, by increasing the difference between the wages they received and the cost of their living. The consequences that did ensue were a rise of rent and a lowering of wages, and, with the potato blight, the ravages of famine among a population that had already reduced its standard of comfort so low that the next step was starvation.

And, so, if one individual work more hours than the average, he will increase his wages; but the wages of all cannot be increased in this way. It is notorious that in occupations where working hours are long, wages are not higher than where working hours are shorter; generally the reverse, for the longer the working day, the more helpless does the laborer become—the less time has he to look around him and develop other powers than those called forth by his work; the less becomes his ability to change his occupation or to take advantage of circumstances. And, so, the individual workman who gets his wife and children to assist him may thus increase his income; but in occupations where it has become habitual for the wife and children of the laborer to supplement his work, it is notorious that the wages earned by the whole family do not on the average exceed those of the head of the family in occupations where it is usual for him only to work. Swiss family labor in watch making competes in cheapness with American machinery. The Bohemian cigar makers of New York, who work, men, women, and children, in their tenement-house rooms, have reduced the prices of cigar making to less than the Chinese in San Francisco were getting.

These general facts are well known. They are fully recognized in standard politico-economic works, where, however, they are explained upon the Malthusian theory of

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the tendency of population to multiply up to the limit of subsistence. The true explanation, as I have sufficiently shown, is in the tendency of rent to reduce wages.

As to the effects of education, it may be worth while to say a few words specially, for there is a prevailing disposition to attribute to it something like a magical influence. Now, education is only education in so far as it enables a man more effectively to use his natural powers, and this is something that what we call education in very great part fails to do. I remember a little girl, pretty well along in her school geography and astronomy, who was much astonished to find that the ground in her mother's back yard was really the surface of the earth, and, if you talk with them, you will find that a good deal of the knowledge of many college graduates is much like that of the little girl. They seldom think any better, and sometimes not so well as men who have never been to college.

A gentleman who had spent many years in Australia, and knew intimately the habits of the aborigines (Rev. Dr. Bleesdale), after giving some instances of their wonderful skill in the use of their weapons, in foretelling changes in the wind and weather and in trapping the shyest birds, once said to me: "I think it a great mistake to look on these black fellows as ignorant. Their knowledge is different from ours, but in it they are generally better educated. As soon as they begin to toddle, they are taught to play with little boomerangs and other weapons, to observe and to judge, and, when they are old enough to take care of themselves, they are fully able to do so—are, in fact, in reference to the nature of their knowledge, what I should call well-educated gentlemen; which is more than I can say for many of our young fellows who have had what we call the best advantages, but who enter upon manhood unable to do anything either for themselves or for others."

Intelligence, which should be the aim of education, can raise wages of the individual only as it renders him superior to others. When to read and write were rare accomplishments, a clerk commanded high respect and large wages.

No increase in the effective power of labor can increase general wages, so long as rent swallows up the gain.

Be this as it may, it is evident that intelligence, which is or should be the aim of education, until it induces and enables the masses to discover and remove the cause of the unequal distribution of wealth, can operate upon wages only by increasing the effective power of labor. It has the same effect as increased skill or industry. And it can raise the wages of the individual only in so far as it renders him superior to others. When to read and write were rare accomplishments, a clerk commanded high respect and large wages, but now the ability to read and write has become so nearly universal as to give no advantage. Among the Chinese the ability to read and write seems absolutely universal, but wages in China touch the lowest possible point. The diffusion of intelligence, except as it may make men discontented with a state of things which condemns producers to a life of toil while nonproducers loll in luxury, cannot tend to raise wages generally, or in any way improve the condition of the lowest class—the “mudsills” of society, as a southern senator once called them—who must rest on the soil, no matter how high the superstructure may be carried. No increase of the effective power of labor can increase general wages, so long as rent swallows up all the gain. This is not merely a deduction from principles. It is the fact, proved by experience. The growth of knowledge and the progress of invention have multiplied the effective power of labor over and over again without increasing wages. In England there are over a million paupers. In the United States almshouses are increasing and wages are decreasing.

It is true that greater industry and skill, greater prudence, and a higher intelligence, are, as a rule, found associated with a better material condition of the working classes; but that this is effect, not cause, is shown by the relation of the facts. Wherever the material condition of the laboring classes has

been improved, improvement in their personal qualities has followed, and wherever their material condition has been depressed, deterioration in these qualities has been the result; but nowhere can improvement in material condition be shown as the result of the increase of industry, skill, prudence, or intelligence in a class condemned to toil for a bare living, though these qualities when once attained (or, rather, their concomitant—the improvement in the standard of comfort) offer a strong, and, in many cases, a sufficient, resistance to the lowering of material condition.

The fact is, that the qualities that raise man above the animal are superimposed on those which he shares with the animal, and that it is only as he is relieved from the wants of his animal nature that his intellectual and moral nature can grow. Compel a man to drudgery for the necessities of animal existence, and he will lose the incentive to industry—the progenitor of skill—and will do only what he is forced to do. Make his condition such that it cannot be much worse, while there is little hope that anything he can do will make it much better, and he will cease to look beyond the day. Deny him leisure—and leisure does not mean the want of employment, but the absence of the need which forces to uncongenial employment—and you cannot, even by running the child through a common school and supplying the man with a newspaper, make him intelligent.

It is true that improvement in the material condition of a people or class may not show immediately in mental and moral improvement. Increased wages may at first be taken out in idleness and dissipation. But they will ultimately bring increased industry, skill, intelligence, and thrift. Comparisons between different countries; between different classes in the same country; between the same people at different periods; and between the same people when their conditions are changed by emigration, show, as an invariable result, that

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Improvement in the material condition of a people or class will ultimately bring increased industry, skill, intelligence, and thrift.

the personal qualities of which we are speaking appear as material conditions are improved, and disappear as material conditions are depressed. Poverty is the Slough of Despond which Bunyan saw in his dream, and into which good books may be tossed forever without result. To make people industrious, prudent, skillful, and intelligent, they must be relieved from want. If you would have the slave show the virtues of the freeman, you must first make him free.

III. — *From Combinations of Workmen*

It is evident from the laws of distribution, as previously traced, that combinations of workmen can advance wages, and this not at the expense of other workmen, as is sometimes said, nor yet at the expense of capital, as is generally believed; but, ultimately, at the expense of rent. That no general advance in wages can be secured by combination; that any advance in particular wages thus secured must reduce other wages or the profits of capital, or both—are ideas that spring from the erroneous notion that wages are drawn from capital. The fallacy of these ideas is demonstrated, not alone by the laws of distribution as we have worked them out, but by experience, so far as it has gone. The advance of wages in particular trades by combinations of workmen, of which there are many examples, has nowhere shown any effect in lowering wages in other trades, or in reducing the rate of profits. Except as it may affect his fixed capital or current engagements, a diminution of wages can benefit, and an increase of wages injure an employer only in so far as it gives him an advantage or puts him at a disadvantage as compared with other employers. The employer who first succeeds in reducing the wages of his hands, or is first compelled to pay

It is evident that combinations of workmen can advance wages at the expense of rent.

Except temporarily, an increase of wages can injure an employer only in so far as it puts him at a disadvantage compared with other employers.

an advance, gains an advantage, or is put at a disadvantage in regard to his competitors, which ceases when the movement includes them also. So far, however, as the change in wages affects his contracts or stock on hand, by changing the relative cost of production, it may be to him a real gain or loss, though this gain or loss, being purely relative, disappears when the whole community is considered. And, if the change in wages works a change in relative demand, it may render capital fixed in machinery, buildings, or otherwise, more or less profitable. But, in this, a new equilibrium is soon reached; for, especially in a progressive country, fixed capital is only somewhat less mobile than circulating capital. If there is too little in a certain form, the tendency of capital to assume that form soon brings it up to the required amount; if there is too much, the cessation of increment soon restores the level.

But, while a change in the rate of wages in any particular occupation may induce a change in the relative demand for labor, it can produce no change in the aggregate demand. For instance, let us suppose that a combination of the workmen engaged in any particular manufacture raise wages in one country, while a combination of employers reduce wages in the same manufacture in another country. If the change be great enough, the demand, or part of the demand, in the first country will now be supplied by importation of such manufactures from the second. But, evidently, this increase in importations of a particular kind must necessitate either a corresponding decrease in importations of other kinds, or a corresponding increase in exportations. For, it is only with the produce of its labor and capital that one country can demand, or can obtain, in exchange, the produce of the labor and capital of another. The idea that the lowering of wages can increase, or the increase of wages can diminish, the trade of a country, is as baseless as the idea that the prosperity of a

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country can be increased by taxes on imports, or diminished by the removal of restrictions on trade. If all wages in any particular country were to be doubled, that country would continue to export and import the same things, and in the same proportions; for exchange is determined not by absolute, but by relative, cost of production. But, if wages in some branches of production were doubled, and in others not increased, or not increased so much, there would be a change in the proportion of the various things imported, but no change in the proportion between exports and imports.

While most of the objections made to the combination of workmen for the advance of wages are thus baseless, while the success of such combinations cannot reduce other wages, or decrease the profits of capital, or injuriously affect national prosperity, yet so great are the difficulties in the way of the effective combinations of laborers, that the good that can be accomplished by them is extremely limited, while there are inherent disadvantages in the process.

To raise wages in a particular occupation or occupations, which is all that any combination of workmen yet made has been equal to attempting, is manifestly a task the difficulty of which progressively increases. For the higher are wages of any particular kind raised above their normal level with other wages, the stronger are the tendencies to bring them back. Thus, if a printers' union, by a successful or threatened strike, raise the wages of typesetting ten per cent. above the normal rate as compared with other wages, relative demand and supply are at once affected. On the one hand, there is a tendency to a diminution of the amount of typesetting called for; and, on the other, the higher rate of wages tends to increase the number of compositors in ways the strongest combination cannot altogether prevent. If the increase be twenty per

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But to raise wages in particular occupations is difficult. The higher are wages of any particular kind raised above their normal level with other wages, the stronger are the tendencies to bring them back.

cent., these tendencies are much stronger; if it is fifty per cent., they become stronger still, and so on. So that practically—even in countries like England, where the lines between different trades are much more distinct and difficult to pass than in countries like the United States—that which trades' unions, even when supporting each other, can do in the way of raising wages is comparatively little, and this little, moreover, is confined to their own sphere, and does not affect the lower stratum of unorganized laborers, whose condition most needs alleviation and ultimately determines that of all above them. The only way by which wages could be raised to any extent and with any permanence by this method would be by a general combination, such as was aimed at by the Internationals, which should include laborers of all kinds. But such a combination may be set down as practically impossible, for the difficulties of combination, great enough in the most highly paid and smallest trades, become greater and greater as we descend in the industrial scale.

Nor, in the struggle of endurance, which is the only method which combinations not to work for less than a certain minimum have of effecting the increase of wages, must it be forgotten who are the real parties pitted against each other. It is not labor and capital. It is laborers on the one side and the owners of land on the other. If the contest were between labor and capital, it would be on much more equal terms. For the power of capital to stand out is only some little greater than that of labor. Capital not only ceases to earn anything when not used, but it goes to waste—for in nearly all its forms it can be maintained only by constant reproduction. But land will not starve like laborers or go to waste like capital—its owners can wait. They may be inconvenienced,

A general combination, including laborers of all kinds, could raise wages substantially and permanently, but such a combination would be practically impossible.

In strikes, the real parties pitted against each other are not labor and capital, but laborers and land-owners. For capital not only ceases to earn anything when not used, but it goes to waste. But land will not starve like laborers or go to waste like capital.

it is true, but what is inconvenience to them, is destruction to capital and starvation to labor.

The agricultural laborers in certain parts of England are now endeavoring to combine for the purpose of securing an increase in their miserably low wages. If it was capital that was receiving the enormous difference between the real produce of their labor and the pittance they get out of it, they would have but to make an effective combination to secure success; for the farmers, who are their direct employers, can afford to go without labor but little, if any, better than the laborers can afford to go without wages. But the farmers cannot yield much without a reduction of rent; and thus it is between the landowners and the laborers that the real struggle must come. Suppose the combination to be so thorough as to include all agricultural laborers, and to prevent from doing so all who might be tempted to take their places. The laborers refuse to work except at a considerable advance of wages; the farmers can give it only by securing a considerable reduction of rent, and have no way to back their demands except as the laborers back theirs, by refusing to go on with production. If cultivation thus come to a deadlock, the landowners would lose only their rent, while the land improved by lying fallow. But the laborers would starve. And if English laborers of all kinds were united in one grand league for a general increase of wages, the real contest would be the same, and under the same conditions. For wages could not be increased except to the decrease of rent; and in a general deadlock, landowners could live, while laborers of all sorts must starve or emigrate. The owners of the land of England are by virtue of their ownership the masters of England. So true is it that "to whomsoever the soil at any time belongs, to him belong the fruits of it." The white parasols and the elephants mad with pride passed with the grant of English land, and the people at large can never regain

their power until that grant is resumed. What is true of England, is universally true.

It may be said that such a deadlock in production could never occur. This is true; but true only because no such thorough combination of labor as might produce it is possible. But the fixed and definite nature of land enables landowners to combine much more easily and efficiently than either laborers or capitalists. How easy and efficient their combination is, there are many historical examples. And the absolute necessity for the use of land, and the certainty in all progressive countries that it must increase in value, produce among landowners, without any formal combination, all the effects that could be produced by the most rigorous combination among laborers or capitalists. Deprive a laborer of opportunity of employment, and he will soon be anxious to get work on any terms, but when the receding wave of speculation leaves nominal land values clearly above real values, whoever has lived in a growing country knows with what tenacity landowners hold on.

Deprive a laborer of opportunity of employment, and he will soon be anxious to get work on any terms. But when the receding wave of speculation leaves nominal land values clearly above real values, whoever has lived in a growing country knows with what tenacity landowners hold on.

And, besides these practical difficulties in the plan of forcing by endurance an increase of wages, there are in such methods inherent disadvantages which workingmen should not blink. I speak without prejudice, for I am still an honorary member of the union which, while working at my trade, I always loyally supported. But, see: The methods by which a trade union can alone act are necessarily destructive; its organization is necessarily tyrannical. A strike, which is the only recourse by which a trade union can enforce its demands, is a destructive contest—just such a contest as that to which an eccentric, called “The Money King,” once, in the early days of San Francisco, challenged a man who had taunted him with meanness, that they should go down to the wharf and alternately toss twenty-dollar pieces into the bay until one

And the methods by which a trade union can alone act are necessarily destructive; its organization is necessarily tyrannical.

gave in. The struggle of endurance involved in a strike is, really, what it has often been compared to—a war; and, like all war, it lessens wealth. And the organization for it must, like the organization for war, be tyrannical. As even the man who would fight for freedom, must, when he enters an army, give up his personal freedom and become a mere part in a great machine, so must it be with workmen who organize for a strike. These combinations are, therefore, necessarily destructive of the very things which workmen seek to gain through them—wealth and freedom.

There is an ancient Hindoo mode of compelling the payment of a just debt, traces of something akin to which Sir Henry Maine has found in the laws of the Irish Brehons. It is called, sitting dharna—the creditor seeking enforcement of his debt by sitting down at the door of the debtor, and refusing to eat or drink until he is paid.

Like this is the method of labor combinations. In their strikes, trades' unions sit dharna. But, unlike the Hindoo, they have not the power of superstition to back them.

IV. — From Co-operation

Social evils do not arise from any conflict between labor and capital

It is now, and has been for some time, the fashion to preach co-operation as the sovereign remedy for the grievances of the working classes. But, unfortunately for the efficacy of co-operation as a remedy for social evils, these evils, as we have seen, do not arise from any conflict between labor and capital; and if co-operation were universal, it could not raise wages or relieve poverty. This is readily seen.

One kind of co-operation is co-operation in supply. It merely reduces the cost of exchanges, and its

Co-operation is of two kinds—co-operation in supply and co-operation in production. Now, co-operation in supply, let it go as far as it may in excluding middlemen, only reduces the cost of exchanges. It is simply a device to save labor and

eliminate risk, and its effect upon distribution can be only that of the improvements and inventions which have in modern times so wonderfully cheapened and facilitated exchanges—viz., to increase rent. And co-operation in production is simply a reversion to that form of wages which still prevails in the whaling service, and is there termed a “lay.” It is the substitution of proportionate wages for fixed wages—a substitution of which there are occasional instances in almost all employments; or, if the management is left to the workmen, and the capitalist but takes his proportion of the net produce, it is simply the system that has prevailed to a large extent in European agriculture since the days of the Roman Empire—the colonial or metayer system. All that is claimed for co-operation in production is, that it makes the workman more active and industrious—in other words, that it increases the efficiency of labor. Thus its effect is in the same direction as the steam engine, the cotton gin, the reaping machine—in short, all the things in which material progress consists, and it can produce only the same result—viz., the increase of rent.

It is a striking proof of how first principles are ignored in dealing with social problems, that in current economic and semi-economic literature so much importance is attached to co-operation as a means for increasing wages and relieving poverty. That it can have no such general tendency is apparent.

Waiving all the difficulties that under present conditions beset co-operation either of supply or of production, and supposing it so extended as to supplant present methods—that co-operative stores made the connection between producer and consumer with the minimum of expense, and co-operative workshops, factories, farms, and mines, abolished the employing capitalist who pays fixed wages, and

effect is the same as that of other such improvements—to increase rent.

The other type of co-operation, co-operation in production, is claimed to increase the efficiency of labor. If true, this will have the same effect as other increases in efficiency of labor—to increase rent.

greatly increased the efficiency of labor—what then? Why, simply that it would become possible to produce the same amount of wealth with less labor, and consequently that the owners of land, the source of all wealth, could command a greater amount of wealth for the use of their land. This is not a matter of mere theory; it is proved by experience and by existing facts. Improved methods and improved machinery have the same effect that co-operation aims at—of reducing the cost of bringing commodities to the consumer and increasing the efficiency of labor, and it is in these respects that the older countries have the advantage of new settlements. But, as experience has amply shown, improvements in the methods and machinery of production and exchange have no tendency to improve the condition of the lowest class, and wages are lower and poverty deeper where exchange goes on at the minimum of cost and production has the benefit of the best machinery. The advantage but adds to rent.

But suppose co-operation between producers and land-owners? That would simply amount to the payment of rent in kind—the same system under which much land is rented in California and the Southern States where the landowner gets a share of the crop. Save as a matter of computation it in no wise differs from the system which prevails in England of a fixed money rent. Call it co-operation, if you choose, the terms of the cooperation would still be fixed by the laws which determine rent, and wherever land was monopolized, increase in productive power would simply give the owners of the land the power to demand a larger share.

That co-operation is by so many believed to be the solution of the “labor question” arises from the fact that, where it has been tried, it has in many instances improved perceptibly the condition of those immediately engaged in it. But this is due simply to the fact that these cases are isolated.

That co-operation is believed to be the solution arises from the fact that it has in many instances improved the condition of those immediately engaged in it.

Just as industry, economy, or skill may improve the condition of the workmen who possess them in superior degree, but cease to have this effect when improvement in these respects becomes general, so a special advantage in procuring supplies, or a special efficiency given to some labor, may secure advantages which would be lost as soon as these improvements became so general as to affect the general relations of distribution. And the truth is, that, save possibly in educational effects, co-operation can produce no general results that competition will not produce. Just as the cheap-for-cash stores have a similar effect upon prices as the co-operative supply associations, so does competition in production lead to a similar adjustment of forces and division of proceeds as would co-operative production. That increasing productive power does not add to the reward of labor, is not because of competition, but because competition is one-sided. Land, without which there can be no production, is monopolized, and the competition of producers for its use forces wages to a minimum and gives all the advantage of increasing productive power to landowners, in higher rents and increased land values. Destroy this monopoly, and competition could exist only to accomplish the end which co-operation aims at—to give to each what he fairly earns. Destroy this monopoly, and industry must become the co-operation of equals.

But this effect will be lost if the improvement becomes general.

V. — *From Governmental Direction and Interference*

The limits within which I wish to keep this book will not permit an examination in detail of the methods in which it is proposed to mitigate or extirpate poverty by governmental regulation of industry and accumulation, and which in their most thoroughgoing form are called socialistic. Nor is it necessary, for the same defects attach to them all. These are the substitution of governmental direction for the play of

I do not have sufficient space for a detailed examination of methods proposed for extirpating poverty by governmental regulation of industry and accumulation.

All of them would attempt to secure by restriction what can better be secured by freedom. Regulation and restriction should not be resorted to if any other mode of accomplishing the same end presents itself.

individual action, and the attempt to secure by restriction what can better be secured by freedom. As to the truths that are involved in socialistic ideas I shall have something to say hereafter; but it is evident that whatever savors of regulation and restriction is in itself bad, and should not be resorted to if any other mode of accomplishing the same end presents itself. For instance, to take one of the simplest and mildest of the class of measures I refer to—a graduated tax on incomes. The object at which it aims, the reduction or prevention of immense concentrations of wealth, is good; but this means involves the employment of a large number of officials clothed with inquisitorial powers; temptations to bribery, and perjury, and all other means of evasion, which beget a demoralization of opinion, and put a premium upon unscrupulousness and a tax upon conscience; and, finally, just in proportion as the tax accomplishes its effect, a lessening in the incentive to the accumulation of wealth, which is one of the strong forces of industrial progress. While, if the elaborate schemes for regulating everything and finding a place for everybody could be carried out, we should have a state of society resembling that of ancient Peru, or that which, to their eternal honor, the Jesuits instituted and so long maintained in Paraguay.

A strong religious faith, which is wanting and growing less in modern society, is the only force that has ever used socialism effectively.

I will not say that such a state as this is not a better social state than that to which we now seem to be tending, for in ancient Peru, though production went on under the greatest disadvantages, from the want of iron and the domestic animals, yet there was no such thing as want, and the people went to their work with songs. But this it is unnecessary to discuss. Socialism in anything approaching such a form, modern society cannot successfully attempt. The only force that has ever proved competent for it—a strong and definite religious faith—is wanting and is daily growing less. We have

passed out of the socialism of the tribal state, and cannot enter it again except by a retrogression that would involve anarchy and perhaps barbarism. Our governments, as is already plainly evident, would break down in the attempt. Instead of an intelligent award of duties and earnings, we should have a Roman distribution of Sicilian corn, and the demagogue would soon become the Imperator.

The ideal of socialism is grand and noble; and it is, I am convinced, possible of realization; but such a state of society cannot be manufactured—it must grow. Society is an organism, not a machine. It can live only by the individual life of its parts. And in the free and natural development of all the parts will be secured the harmony of the whole. All that is necessary to social regeneration is included in the motto of those Russian patriots sometimes called Nihilists—“Land and Liberty!”

The ideal of socialism is grand and noble, but such a state of society cannot be manufactured.

VI. — From a More General Distribution of Land

There is a rapidly growing feeling that the tenure of land is in some manner connected with the social distress which manifests itself in the most progressive countries; but this feeling as yet mostly shows itself in propositions which look to the more general division of landed property—in England, free trade in land, tenant right, or the equal partition of landed estates among heirs; in the United States, restrictions upon the size of individual holdings. It has been also proposed in England that the state should buy out the landlords, and in the United States that grants of money should be made to enable the settlements of colonies upon public lands. The former proposition let us pass for the present; the latter, so far as its distinctive feature is concerned, falls into the category of the measures considered in the last section. It

There is a growing feeling that land tenure is somehow connected with social distress, which shows itself mostly in proposals for more general division of landed property.

needs no argument to show to what abuses and demoralization grants of public money or credit would lead.

How what the English writers call “free trade in land”—the removal of duties and restrictions upon conveyances—could facilitate the division of ownership in agricultural land, I cannot see, though it might to some extent have that effect as regards town property. The removal of restrictions upon buying and selling would merely permit the ownership of land to assume more quickly the form to which it tends. Now, that the tendency in Great Britain is to concentration is shown by the fact that, in spite of the difficulties interposed by the cost of transfer, landownership has been and is steadily concentrating there, and that this tendency is a general one is shown by the fact that the same process of concentration is observable in the United States. I say this unhesitatingly in regard to the United States, although statistical tables are sometimes quoted to show a different tendency. But how, in such a country as the United States, the ownership of land may be really concentrating, while census tables show rather a diminution in the average size of holdings, is readily seen. As land is brought into use, and, with the growth of population, passes from a lower to a higher or intenser use, the size of holdings tends to diminish. A small stock range would be a large farm, a small farm would be a large orchard, vineyard, nursery, or vegetable garden, and a patch of land which would be small even for these purposes would make a very large city property. Thus, the growth of population, which puts lands to higher or intenser uses, tends naturally to reduce the size of holdings, by a process very marked in new countries; but with this may go on a tendency to the concentration of landownership, which, though not revealed by tables which show the average size of holdings, is just as

English writers would remove restrictions upon buying and selling of land, but this would simply facilitate the current trend toward concentration of ownership.

The trend toward concentration in the United States is hidden by census tables which report acreage rather than any indication of land value.

clearly seen. Average holdings of one acre in a city may show a much greater concentration of landownership than average holdings of 640 acres in a newly settled township. I refer to this to show the fallacy in the deductions drawn from the tables which are frequently paraded in the United States to show that land monopoly is an evil that will cure itself. On the contrary, it is obvious that the proportion of landowners to the whole population is constantly decreasing.

And that there is in the United States, as there is in Great Britain, a strong tendency to the concentration of landownership in agriculture is clearly seen. As, in England and Ireland, small farms are being thrown into larger ones, so in New England, according to the reports of the Massachusetts Bureau of Labor Statistics, is the size of farms increasing. This tendency is even more clearly noticeable in the newer states and territories. Only a few years ago a farm of 320 acres would, under the system of agriculture prevailing in the northern parts of the Union, have anywhere been a large one, probably as much as one man could cultivate to advantage. In California now there are farms (not cattle ranges) of five, ten, twenty, forty and sixty thousand acres, while the model farm of Dakota embraces 100,000 acres. The reason is obvious. It is the application of machinery to agriculture and the general tendency to production on a large scale. The same tendency which substitutes the factory, with its army of operatives, for many independent hand-loom weavers, is beginning to exhibit itself in agriculture.

Now, the existence of this tendency shows two things: first, that any measures which merely permit or facilitate the greater subdivision of land would be inoperative; and, second, that any measures which would compel it would have a tendency to check production. If land in large bodies

In fact, the average size of farms in the United States is increasing,

as agricultural production moves to a larger scale.

There is no economic incentive for greater subdivision of land, and if it were compelled

then it would reduce aggregate production of wealth.

can be cultivated more cheaply than land in small bodies, to restrict ownership to small bodies will reduce the aggregate production of wealth, and, in so far as such restrictions are imposed and take effect, will they tend to diminish the general productiveness of labor and capital.

The effort, therefore, to secure a fairer division of wealth by such restrictions is liable to the drawback of lessening the amount to be divided. The device is like that of the monkey, who, dividing the cheese between the cats, equalized matters by taking a bite off the biggest piece.

Furthermore, wider ownership of land will not reduce rent, and therefore cannot increase wages.

But there is not merely this objection, which weighs against every proposition to restrict the ownership of land, with a force that increases with the efficiency of the proposed measure. There is the further and fatal objection that restriction will not secure the end which is alone worth aiming at—a fair division of the produce. It will not reduce rent, and therefore cannot increase wages. It may make the comfortable classes larger, but will not improve the condition of those in the lowest class.

If what is known as the Ulster tenant right were 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 laborer would not be a whit improved. If landlords were prohibited from asking an increase of rent from their tenants and from ejecting a tenant so long as the fixed rent was paid, the body of the producers would gain nothing. Economic rent would still increase, and would still steadily lessen the proportion of the produce going to labor and capital. The only difference would be that the tenants of the first landlords, who would become landlords in their turn, would profit by the increase.

If by a restriction upon the amount of land any one individual might hold, by the regulation of devises and suc-

cessions, or by cumulative taxation, the few thousand landholders of Great Britain should be increased by two or three million, these two or three million people would be gainers. But the rest of the population would gain nothing. They would have no more share in the advantages of landownership than before. And if, what is manifestly impossible, a fair distribution of the land were made among the whole population, giving to each his equal share, and laws enacted which would interpose a barrier to the tendency to concentration by forbidding the holding by any one of more than the fixed amount, what would become of the increase of population?

Just what may be accomplished by the greater division of land may be seen in those districts of France and Belgium where minute division prevails. That such a division of land is on the whole much better, and that it gives a far more stable basis to the state than that which prevails in England, there can be no doubt. But that it does not make wages any higher or improve the condition of the class who have only their labor, is equally clear. These French and Belgian peasants practice a rigid economy unknown to any of the English-speaking peoples. And if such striking symptoms of the poverty and distress of the lowest class are not apparent as on the other side of the channel, it must, I think, be attributed, not only to this fact, but to another fact, which accounts for the continuance of the minute division of the land—that material progress has not been so rapid.

Neither has population increased with the same rapidity (on the contrary it has been nearly stationary), nor have improvements in the modes of production been so great. Nevertheless, M. de Laveleye, all of whose prepossessions are in favor of small holdings, and whose testimony will therefore carry more weight than that of English observers, who may be supposed to harbor a prejudice for the system of

The number of landlords would increase, but the rest of the population would gain nothing.

An example is seen in parts of Belgium and France where minute division prevails.

The condition of the laborer is far worse under this system than it is in England, while the tenant farmers are rack-rented mercilessly.

But while subdivision of land cannot raise wages, its tendency is to strengthen the existing unjust system by interesting a large number in its maintenance.

their own country, states in his paper on the Land Systems of Belgium and Holland, printed by the Cobden Club, that the condition of the laborer is worse under this system of the minute division of land than it is in England; while the tenant farmers— or tenancy largely prevails even where the morallement is greatest—are rack-rented with a mercilessness unknown in England, and even in Ireland, and the franchise “so far from raising them in the social scale, is but a source of mortification and humiliation to them, for they are forced to vote according to the dictates of the landlord instead of following the dictates of their own inclination and convictions.”

But while the subdivision of land can thus do nothing to cure the evils of land monopoly, while it can have no effect in raising wages or in improving the condition of the lowest classes, its tendency is to prevent the adoption or even advocacy of more thoroughgoing measures, and to strengthen the existing unjust system by interesting a larger number in its maintenance. M. de Laveleye, in concluding the paper from which I have quoted, urges the greater division of land as the surest means of securing the great landowners of England from something far more radical. Although in the districts where land is so minutely divided, the condition of the laborer is, he states, the worst in Europe and the renting farmer is much more ground down by his landlord than the Irish tenant, yet “feelings hostile to social order,” M. de Laveleye goes on to say, “do not manifest themselves,” because —

“The tenant, although ground down by the constant rise of rents, lives among his equals, peasants like himself who have tenants whom they use just as the large landholder does his. His father, his brother, perhaps the man himself, possesses something like an acre of land, which he lets at as high a rent as he can get. In the public house peasant proprietors will boast of the high rents they get for their lands, just as they might boast of having sold their pigs or potatoes very dear. Letting at as high a rent as possible comes thus to seem to him to be quite a matter of course, and he never

dreams of finding fault with either the landowners as a class or with property in land. His mind is not likely to dwell on the notion of a caste of domineering landlords, of 'bloodthirsty tyrants,' fattening on the sweat of impoverished tenants and doing no work themselves; for those who drive the hardest bargains are not the great landowners but his own fellows. Thus, the distribution of a number of small properties among the peasantry forms a kind of rampart and safeguard for the holders of large estates, and peasant property may without exaggeration be called the lightning conductor that averts from society dangers which might otherwise lead to violent catastrophes.

"The concentration of land in large estates among a small number of families is a sort of provocation of leveling legislation. The position of England, so enviable in many respects, seems to me to be in this respect full of danger for the future."

To me, for the very same reason that M. de Laveye expresses, the position of England seems full of hope.

Let us abandon all attempt to get rid of the evils of land monopoly by restricting landownership. An equal distribution of land is impossible, and anything short of that would be only a mitigation, not a cure, and a mitigation that would prevent the adoption of a cure. Nor is any remedy worth considering that does not fall in with the natural direction of social development, and swim, so to speak, with the current of the times. That concentration is the order of development there can be no mistaking—the concentration of people in large cities, the concentration of handicrafts in large factories, the concentration of transportation by railroad and steamship lines, and of agricultural operations in large fields. The most trivial businesses are being concentrated in the same way—errands are run and carpet sacks are carried by corporations. All the currents of the time run to concentration. To resist it successfully we must throttle steam and discharge electricity from human service.

An equal distribution of land is impossible.

All the currents of the time run to concentration.