

## **Chapter 9**

### **Malthusian Theory Disproved**

FACTS are the supreme and final test. The wide acceptance of Malthusian theory is a remarkable example of how easily we can ignore facts when blinded by a preaccepted theory. The question is whether an increasing population necessarily tends to reduce wages and cause poverty. This is the same as asking whether it reduces the amount of wealth a given amount of labor can produce.

The accepted theory says that greater demands upon nature produce diminishing results. That is, less will be produced proportional to additional effort. Doubling labor will not double output. Thus, a growing population must reduce wages and deepen poverty. John Stuart Mill claimed a large population can never be provided for as well as a smaller one.

All this I deny. In fact, I assert that the very opposite is true.

I assert that a larger population can collectively produce more than a smaller one (in any given state of development).

I assert that poverty is not caused by overpopulation. It is caused by social injustice, not by any limitation of nature.

I assert that in the natural order of things, a growing population can produce more than is required to provide

for the increased numbers.

I assert that, other things being equal, each individual would receive greater comfort in a larger population—under an equitable distribution of wealth.

I assert that in a state of equality, the natural increase of population would constantly tend to make every individual richer instead of poorer.

Thus taking issue with this theory, I submit the question to the test of facts.

But I must first warn the reader not to confuse the issue, as even writers of great reputation have done. For the question of fact into which this issue resolves itself is not, what size population produces the most subsistence? Rather it is, *what size population has the greatest power to produce wealth?*

Power to produce wealth in any form is the same as power to produce subsistence. Likewise, consumption of wealth in any form is equivalent to consumption of subsistence.

For instance, I may choose to buy food or cigars or jewelry. By spending on any particular item, I thereby direct labor to produce that item. We may say a set of diamonds has a value equal to so many barrels of flour. In other words, it takes (on average) the same amount of labor to produce those diamonds as it would to produce so much flour. So giving my wife diamonds is as much an exertion of subsistence-producing power as if I loaded her with so many barrels of flour as an extravagant display.

Similarly, a race horse requires care and labor enough for many work horses. A regiment of soldiers diverts labor that could otherwise produce subsistence for thousands of people.

Thus, the power of any population to produce the necessities of life is not to be measured only by the necessities actually produced. Rather, it is measured by the total expenditure of power in all forms of production. Therefore we must ask, does the relative power of producing wealth decrease with an increasing population?

There is no need for abstract reasoning; the question is one of simple fact. And the facts are so obvious that it is only necessary to call attention to them.

In modern times, we have seen many communities increase their population—and advance even more rapidly in wealth. Compare any communities having similar people in a similar stage of development. Isn't the most densely populated community also the richest? Aren't the more densely populated Eastern states richer in proportion to population than the more sparsely populated Western or Southern states? Isn't England, where population is even denser, also richer in proportion?

Where will you find wealth most lavishly devoted to nonproductive uses, such as extravagant buildings, fine furniture, gardens, and yachts? It is where population is dense rather than sparse. Where will you find the greatest proportion of those supported by the general production, without productive labor on their part? By this I mean the range of gentlemen of leisure, thieves, policemen, servants, lawyers, people of letters, and the like. It is where population is thick rather than thin. In which direction does capital for investment flow? It flows from densely populated countries to sparse ones.

Undeniably, wealth is greatest where population is densest. Therefore, the amount of wealth produced by a given amount of labor increases as population increases.

This is apparent wherever we look.

Let's examine a particular case: California. At first glance, this appears to be perhaps the best example supporting Malthus. While population has increased, wages have decreased. In addition, its natural productivity has obviously lessened.

The wave of immigration that poured into California with the discovery of gold found a country where nature was in the most generous mood. Primitive tools could easily extract gold from rivers where glittering deposits had been built up over thousands of years. The plains were alive with countless herds of horses and cattle, and soil was being tilled for the first time. Amid this abundance, wages and interest were higher than anywhere else in the world.

This virgin profusion has been steadily eroding under the demands of an increasing population. Mining now requires elaborate machinery and great skill. Cattle are brought in by rail. Some land now in use would barely yield a crop without irrigation. During this time, wages and interest have steadily declined. People will now work a week for what they once got per day.

But is this cause and effect? Are wages lower because the reduced productiveness of nature means labor yields less wealth? On the contrary!

The power of labor to produce wealth in California in 1879 is not less than in 1849—it is greater. During these years, the efficiency of labor has increased in many ways—by roads, harbors, steamboats, telegraphs, and machinery of all kinds; by a closer connection with the rest of the world; and by countless economies resulting from a larger population.

No one who considers this can doubt an increase in productiveness. The return that labor receives from nature

is, on the whole, much greater now than it was in the days of unmined minerals and virgin soil. The increase in human power has more than compensated for the decline in natural factors.

In fact, consumption of wealth, compared to the number of laborers, is much greater now than it was then. Back then, population consisted almost exclusively of working men. Now there are many women and children who must also be supported. Others who do not produce wealth have also increased in greater proportion. Luxury has grown far more than wages have fallen. The best houses once were shanties; now there are mansions. The richest then would seem little better than paupers today.

In short, there is striking and conclusive evidence that the production and consumption of wealth has increased faster than population. If any class gets less, it is for one reason only—*because the distribution of wealth has become more unequal.*

The same thing is obvious wherever we look. The richest countries are not those where nature is most prolific, but those where labor is most efficient. Not Mexico, but Massachusetts. Not Brazil, but Britain. Other things being equal, countries with the densest population devote the largest proportion of production to luxury and the support of non-producers. They are the countries where capital overflows. In emergency, such as war, they can stand the greatest drain. Though a much smaller proportion of the population is engaged in productive labor, a much larger surplus is available for purposes other than supplying physical needs.

On the other hand, in a new country the whole available workforce is involved in production. There are no paupers or beggars. Neither are there idle rich, nor whole

classes whose labor is devoted to ministering to the convenience or caprice of the rich. There is no literary or scientific class, no criminal class, and no class maintained to guard against them.

Yet, even with the whole community devoted to production, there is no consumption of wealth as in the old country. The condition of the lower classes, however, is better. Everyone can earn a living. Yet no one gets much more. Few, if any, can live in anything that would be called luxury (or even comfort). In the older country, consumption of wealth in proportion to population is greater. At the same time, the proportion of labor devoted to the production of wealth is less. In other words, fewer laborers produce more wealth.

Let us consider one last argument. Could the greater wealth of older countries be due to the accumulation of wealth, not greater productive power?

The truth is, wealth can be accumulated only to a small degree. Wealth consists of the material universe transformed by labor into desirable forms. As such, it constantly tends to revert back to its original state. Some wealth will last only a few hours, others for days, months, or even a few years. But there are really very few forms of wealth that can be passed from one generation to another.

Take wealth in some of its most useful and seemingly permanent forms: ships, houses, machinery. Unless labor is constantly applied to preserve and repair them, they will quickly become useless. If labor were to stop in any community, wealth would vanish. When labor starts again, wealth will reappear almost immediately. It is like the jet of a fountain that vanishes when the flow of water is shut off.

This is clear where war or disaster has swept away

wealth—but left the population unimpaired. London has no less wealth today because of The Great Fire (1666). Nor Chicago because of its fire (1871). On those fire-swept acres, magnificent buildings, overflowing with goods, have arisen. A visitor, unaware of history, would never dream these stately avenues lay black and bare a few short years ago.

This same principle is obvious in every new city—namely, that wealth is constantly re-created. No one who has seen Melbourne or San Francisco can doubt that if the population of England were transported to New Zealand—leaving all accumulated wealth behind—it would soon be as rich as England is now. Conversely, if England were reduced to the sparseness of New Zealand, they would soon be as poor—despite their accumulated wealth. Wealth from generations past can no more account for present consumption than last year's dinners can give strength today.

In sum, a growing population means an increase—not a decrease—in the average production of wealth. The reason for this is obvious. It so vastly increases the power of the human factor that it more than compensates for any reduction in the natural factor. Twenty people working together, even where nature is scant, can produce more than twenty times the wealth one person can produce where nature is bountiful. The denser the population, the finer the division of labor, and the greater the economies of production and distribution.

Thus we see that the very reverse of Malthusian doctrine is true. In any given state of civilization, a greater number of people can produce a larger proportionate amount of wealth than can a smaller number.

Can anything be clearer? The weakness of natural forces is not the cause of poverty festering in the centers of civilization. Consider those countries where poverty is deepest. If their productive forces were fully employed, they could clearly provide enough for all. They could not merely provide comfort, but luxury. Industrial paralysis and depression obviously do not arise from lack of productive power. Whatever the trouble may be, it is clearly not a lack of ability to produce wealth.

Poverty appears where productive power is greatest and the production of wealth is largest. This is the enigma that perplexes the civilized world, the puzzle we are trying to unravel. It is obvious that Malthusian theory cannot explain it. That theory is utterly inconsistent with all the facts. It gratuitously attributes to the laws of God results that spring from the social maladjustments of humans. But we have yet to find exactly what does produce poverty amid advancing wealth.