

From the book:

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

THE REMEDY FOR POVERTY.

By F. Skirrow

Thus saith the Lord:

“You weary me with prayers, and waste your own short years;
Eternal truth you cannot see,
Who weep and shed your sight in tears!
In vain you wait and watch the skies,
No better fortune thus will fall;
Up from your knees I bid you rise.
And claim the earth for all.”—Gerald Massey.

In the previous five chapters of “Progress and Poverty,” to the book in which he gives the remedy for poverty, Henry George has stated the problem he started out to solve, and dealt with the questions of (1) wages and capital, (2) population and subsistence, (3) the laws of distribution, (4) the effect of material progress upon the distribution of wealth, (5) the solution of the problem.

Book VI consists of only two chapters and twenty-four pages, in twenty of which Mr. George deals with the “inefficiency of remedies currently advocated.” The last two pages (Chapter II) are given up to the statement of “the true remedy.”

Many people “retain a comfortable belief that material progress will ultimately extirpate poverty, and there are many who look to prudential restraint on the increase of population as the most effective means.” Long discussion of certain principles has popularized these principles. Much has been said for such things as economy in our public expenditure, better education, improved habits of thrift and industry, trade unions, friendly societies, labour copartnership, the assistance of governments in getting unemployed men put to work, and a wider distribution of property in land.

It is pointed out in Book VI that monarchy, aristocracy, and large standing armies with the waste that they involve, were at one time

believed to be the root causes of poverty; that some nations beginning afresh got rid of these institutions only to find that the problem of poverty had overtaken them in their new surroundings. With such things eliminated, people still noted that there was wastefulness and extravagant expenditure in other directions. Political Economists cried out against the evil effects of taxes on goods, which had the effect of checking and restraining trade.

With the removal of some of these restraints to trade, it was expected that a great advance in general prosperity would follow, but this expectation has been doomed to disappointment. Certainly the wealth per head of population has increased, but the portion of wealth in the hands of the wealth producer has not increased in anything like the same proportion. In other words such economies have affected the production of wealth without altering the distribution, and the rich still grow richer, but there are people who can find no one to employ them, and who cannot employ themselves.

It is a comforting belief held by the comfortable classes, that the poverty of the poor is due to their want of thrift, prudence, or frugality. The same people while recognizing that dishonesty can help in the accumulation of wealth do not think of crediting the poor with a superfluous amount of honesty, though to be logical they ought to do so. These people forget that we are considering the wealth of nations. It is absurd to think that the particular virtues or vices which raise one man above another would raise all men if practised generally.

If, for instance, Education was general, it would like every other unlimited thing have no exchange value. In the same way—as Henry George clearly shows—thrift, prudence, and frugality would lose their value as soon as they became common qualities. “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.”

We are shown that as soon as land acquires a value wages are not

based on what the labourer can extract from the earth, but on what the worker can extract from the poor qualities of land which he can have free. On any higher quality of land—in fact on any kind of appropriated land—the labourer can only get the amount that is left after the landlord has been satisfied. If unable to satisfy this demand labour has to go without land on which to employ itself—and starve.

One individual may save money by being a non-smoker, a teetotaler, a vegetarian, by avoiding club life and expensive hobbies, but if everybody rose to such spiritual or self-denying levels, wages would have a tendency to fall. The labourer would not give up the hope of earning necessities so quickly, and what he was prepared to forego would add to the appropriations of the landowner who “sleeps but thrives.” Some little resistance can be offered to the downward tendency of wages, by presenting a “collective” demand on the part of the labourers. Instead of underselling each other, the labourers agree like the trust managers of America, or the Kartel Committees of Germany, to a minimum price, under which there is to be no sale. In such circumstances the buyers must make up their minds either to pay or go without. Allowing that the buyers of such particular labour are not willing to go without, the price may be conceded, the resistance may be successful, and the combination be justified. We are shown by Henry George that to hope that we could ever get such an organization as would elevate wages all round would at least be a wasteful idea. It would take years of laborious effort; the organization would require to be more perfect than anything ever yet experienced, and nothing would have been done to undermine the position of the landowner. By undermining the landowners’ position we are not called on to offer anything like the same resistance to his attacks. For the rest Trades Unionism has its bad as well as its good features. It is a warlike organization, and logically uses the weapons of war, often to the destruction of those it seeks to protect. In its fights it cannot afford to pelt with rose-leaves or to be too considerate of the rights and liberties of others.

Men refuse to work, and they also refuse to allow people equally, or more needy to accept the jobs which they vacate. The increases

of wages are secured by the loss of wages during the fight, and the result is something less than could be got by easier and less costly methods, as is shown in “Progress and Poverty.”

If we look to co-operation for social salvation, we can scarcely hope to find it. As a matter of fact we have a great deal of co-operation, conscious and unconscious, now. Men knowingly pull in the same direction. Sometimes comparatively poor men “pool” their savings to erect stores for themselves. They accomplish, or at least hope to accomplish, savings in exchange. In addition there is productive co-operation in which the producers share the profits—and sometimes the losses. Then there are labour co-partnerships with capitalists. All these things make labour more efficient, and efficiency has the effect of raising the value of land. Faced with the growing price of land, and the ever-increasing burden of rates and taxes, such methods tend to raise obstacles to further progress. This is shown by the fact, that many Co-operative Societies put a limit on the amount of capital which a member can put into the business. We thus see that unemployment and low wages are not due to lack of capital, but to the lack of opportunity of getting at the land without which labour must starve and capital waste, no matter how efficiently organized they may be. Even people seemingly in conflict are in a sense co-operating. They are each striving to supply the community in the most efficient way. By partnerships, companies, insurance, etc., we introduce co-operation again, but do not solve the problem of poverty.

Suppose we could get co-operation between producers and landlords, it would only be the old system under a new form. The landlords would be paid in kind instead of money; the labourers would be paid a proportionate amount instead of a fixed amount, but there is little reason for believing that labourers would in the aggregate get any more. The reason why people believe in co-operation is because it has been successful in particular cases. It is like thrift, prudence, and frugality—it succeeds because it is riot generally practised. So soon as it raises general efficiency it will lose its special value. Its economies, like other economies, will enrich the monopolist and not the producer. Even well-managed enterprises in water, gas, and tramways, have the effect of

increasing ground rent. But some people believe that by carrying co-operation to a complete state, by making all people owners of everything—land included—we could solve the poverty problem. We are now dealing with a State in which plenty of things are produced, but they are badly distributed. There is no need to solve the problem of production. If we had to solve the problem of production it might be worth while to inquire if an organized State, ruled by demagogues who had become imperators, was capable of producing all we require. To set up an ideal is one thing; to find or cut a road to it quite another. It appears as if people in their search for a road towards communism had found the one which leads to tyranny, corruption, and anarchy.

Henry George's object was to find a better distribution, and to encourage producers and would-be producers to produce more. We can do both by choking monopoly, as George demonstrates. By distributing the surplus wealth—Land Values—now appropriated by non-producers, we can give benefits freely to the whole community, and by freeing land for use we can secure employment for the unemployed at wages which will measure the value of each man's work.

“There is but one way to remove an evil, and that is to remove its cause. To extirpate poverty, to make wages what justice commands they should be, the full earnings of the labourer, we must, therefore, substitute for the individual ownership of land a common ownership. Nothing else will go to the cause of the evil, in nothing else is there the slightest hope. This, then, is the remedy for the unjust and unequal distribution of wealth apparent in modern civilization, and for all the evils that flow from it. We must make land common property.”