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c. R.

ON THE PROGRESS OF POLITICAL ECONOMY
FROM THE TIME OF ADAM SMITH.

I AM induced to write on this topic, partly to take measurement of my own position, and partly from reading the address of Professor Alfred Marshall to the British Association, 1890.

My study of this subject began at the age of sixteen, and above seventy years have since passed. I naturally look back to Malthus as a beginning of change; further, to Ricardo; further, to Thornton and J. S. Mill, whose doctrine of Land is with me now complete in Dr. Alfred Russell Wallace. The phrase, "We are all Socialists now," seems to have become current of late. It was used by Sir William Vernon Harcourt, but perhaps playfully. So far as I understand what Socialists mean, I find them more amiable, but not more logical, when they prefix the epithet *Christian* to their title. So far from inclining towards their outline, it is precisely their axioms which to me seem false and dangerous. But I reserve this topic to my close.

On Malthus must fall the sad discredit of making the science *misanthropic* and widely unpopular. He lived to complain that those who called themselves his followers disregarded his limitations, and damaged the moral aspect of his doctrine. They certainly pushed it farther than he wished or approved; and yet it was hard for him to blame them. No one can deny that he maintained not only that unchecked population *on a limited soil* must outrun its power of feeding itself, but that our English population was *already* excessive. Moreover, he taught economists to infer excess of population from the mere fact of widespread misery; as if evil law and wasteful vice were insufficient causes of destitution. Savages in harsh climates perish of famine, where thoughtful and provident men would endure only hardship. The fundamental weakness of his great argument, as applied to England, was, that he did not see the unjust condition of our landed tenure, ever since the landlords (under Henry VIII.) were allowed to claim the soil as *their own*, and to eject the little farmers at their

pleasure. As a consequence, our poor laws were necessary to save the landlords from the despair of the able-bodied rustics who were dispossessed. Malthus in England, as afterwards Chalmers in Scotland, wished to do without poor laws; but when English land-tenure had spread into Scotland, the king's ministers dared not to repeal them. This was and is our difficulty. Our poorest *do* increase much too fast, but the chief cause is despair, and statesmen cannot let economy play the game of State. Politics (said Kossuth) is the science of exigencies.

I believe these few words detail our whole imbroglio. Our history has been that of *successive conquests*. Not to go back earlier than the conquest of Saxons by Normans, which reached its worst under Stephen, and was immensely relieved by the Plantagenets; especially by the edicts of Edward I., whose rule in England seems to have been as good as his violence in Scotland and Wales was lamentable. But the French war of Edward III., with Scotland intensely hostile, was accompanied by pestilence at home, in which the new Parliament overthrew the rural edicts of Edward I. and struck down our rustics anew, though not fatally, yet so that they have not yet recovered. When gold and silver came in from the New World, and the landlords betook themselves to Parliament as their strength, and assumed their modern form of *traders in land*, the local cultivators were overpowered by the barons and squires in a series of petty wars. Thenceforward every *landlord*, great or small, became a *land-owner*. Nearly four hundred years have since passed, yet we still suffer from that *landlord conquest*, which made it inevitable that afterwards any increasing wealth in England from the inventiveness of townsmen should never pass through farmers to peasants, but from farmers should soon pass to swell the wealth of landlords. When economists arose, professing science, they of course adopted the existing routine of industry in England; Adam Smith thoughtfully, but his followers as if without suspicion of error; and some even applauded landlords in raising their rents, when the market enabled them, without asking what they had given for the increment. Naturally, when

rustics were displaced with the approval of economists, the public blamed economists, when they ought rather to have blamed the law. This is true equally of leasehold tenure of buildings as of rural culture. The nation has at last been forced to open its eyes by events in Ireland, and now understands that ever since the return of Charles II. the landlords have been the permanent legislators, and have not allowed due attention to the rights of other classes. Economists have praised abstinence of the government from tampering with the market, which *with them* meant that the rights of the market, at present *legal*, are all *moral*; but that is not always the case; and socialism has thriven to the disgrace of economists, who are represented as the parties guilty, as though they had originated the errors of the law.

Other countries have had a very different history from England; but wherever a powerful king or aristocracy has possession of the land we generally find great abuse. In France the commonalty was weaker than in England, hence the starvation which caused the terrible upturn of the eighteenth century. To a Malthusian the France of 1790 seemed to be calamitously overfull of people; yet now their numbers are far greater, yet they send to us myriad tons of spare food; the starvation was caused not by too much population, but by too much unjust law. Europe tried to crush France, but in the result Germany, Italy, and Spain were overrun by French victory. Edmund Burke had scoffed at France in the words of Cæsar: "We have heard that the Galli were once celebrated in war;" how little did he expect such success of the half-naked,—the sans-culottes! Overthrown in the battle of Jena, the Prussians learnt that their common people had not sufficient stake in the soil; two patriotic noblemen persuaded the king to give small independencies to the general mass. Italy was severely but not unwisely ruled by Napoleon and Murat. Hungary was made mistress of her own soil by Batthyanyi and Kossuth in 1848; shortly after this, all the Austrian provinces received independent land. Before the middle of this century was reached, in the great mass of old Europe, the common people were largely possessors of their native

soil. The same was the case in Canada and the United States, so far as freedom ruled. Thus, to the large mass of Europe and much of America, the treatment of land in England had become out of harmony, and foreign critics treated our policy, towards Ireland especially, with much severity. At the same time from India arose wholly new views among our experienced officers, who thought of the rents as the natural and chief revenue of the State. Thus from many quarters at once arose on us claims for new treatment of the soil just when the great movement of 1848 agitated Europe. The Irish Potato Famine of 1847 had just led Sir Robert Peel to break with his party on the Corn Laws, and the Whigs, who inevitably succeeded to power, could not but issue the Devon Commission to report on the agriculture of Ireland. Out of this has come the present state of affairs.

Foreign economists, who had thrown off English principles, could not condone the English policy towards Ireland, and the defence of it by English economists was unconvincing and futile. The report of the Devon Commission was very slow in appearing, but the vastness of the work was its excuse, and the thoroughness was such that no ministry (I believe) had a chance of passing the remedies suggested by them through the ordeal of the Lords, even if it had passed in the Commons. When Mr. Gladstone became Prime Minister, in 1870, an attempt was made, in connection with a visit of John Bright (since Right Honorable) to Dublin, to amend the Irish tenure of land, but whether because of opposition in the Lords, or from want of calling the Irish members of Parliament into rightful council, nothing effective was done from 1870 to 1880, and in 1874 the dissensions in the Gladstone ministry (this leader afterwards informed the nation) were such that no scheme could be published. Mr. Disraeli in consequence became premier under the title of Beaconsfield, and for about six years seems to have thought chiefly of European and Indian wars, little of home agriculture in England and Wales, or Ireland and Scotland. "Political Economy" has encountered ignominy and disgrace for it all. And it is true that what was called the orthodox school, after it had

added Malthus to Adam Smith, never looked on the land with a just eye until Thornton and the younger Mill wrote, but that was before 1846; since then many valuable writers have moved on their line; nevertheless, their aspect towards Malthusianism was enough to make them odious to the many, and because they deprecated a political tampering with the market, all neglects of the government were imputed to their influence.

Their Malthusianism was unwisely exaggerated and unhappily applied. J. S. Mill, from his various accomplishments and sterling merit, is best known. He fancied himself a Malthusian, and propounded two doctrines hostile to Malthus, not Malthusian: (1) That to have more children than the right number justly brings on a father the imputation of *incontinence*, and we must hope that the public will at length learn to apply the stigma successfully to the guilty man. (I cannot now quote his words, but this was their meaning.) (2) If our workingmen take his advice and duly keep down their numbers, wages will rise to remunerate them. Apparently the *right number* of children is to be fixed by a council of economists. Report whispered that *three* was Mr. J. S. Mill's golden number. That so able a man should have expected anything but indignation from the former doctrine, and ridicule for believing the latter, is wonderful. I suppose it to be the result of his father's unwise mode of education. But, if the most enlightened part of our race leave the inferior part, in successive generations, to be the parents of the future, is any argument needed to show that the process aims at the survival of the least fit? That no Malthusian doctrine should have been admitted into the science might have been better than the present result.

Further, though Ricardo has really merit in clearing up foreign commerce, as virtually proceeding by barter, his doctrine of rent, adopted by most English authorities, is refused in America, where experience is largest and facts confute it. In general our economy begins from a few principles, so simple and certain that they are justly deemed axiomatic, as soon as this or that is admitted to be private property. So, when land is put forward as the property of a landlord (and as such

in the eighteenth century it was accepted), our economists justified a landlord in raising his rent as high as he could find a farmer to promise. In fact the English doctrine was so far adopted in America. Adam Smith had contented himself with saying simply that rent was the surplus which the farmer was willing to pay to the landlord. Ricardo thought to define it more accurately by the prices of wheat, arguing that there must be land so ill suited for wheat that no farmer can pay anything for it to a landlord. This admitted a new statement, that even the best land admits only a fixed amount of capital to be applied to it, in cultivating for wheat; and the surplus which it yields, beyond the "ordinary" profits of applied capital, measures the rent. Ricardo further supposed the best wheat land to be always the first occupied, and that only some *diversity* in quality or situation occasioned rent at all. Why talk only of *wheat*? at once asks every practical cultivator. May not twenty other crops be as valuable as wheat? In fact the whole theory is baseless. American experience shows that so far from the *best* soils being first cultivated, the poorest often take the lead, just because they are so often easiest to get at, and the richer soils are long buried in swamp or preoccupied by timber, and fruit is often more profitable than grain. In one thing Ricardo and the American economists agree,—viz., when a nation's food comes from its own soil, the rent tends to rise *highest* when the need of food is *greatest*. Our economists fought hard to prove that rent never *entered into* price; that, however the high price might raise rent, rent did not *cause* high price, but rather the high price of food caused high rent.

I never was able to believe this theory. Our landlords appeared to have a complete monopoly before our corn laws were abolished, and afterwards a large and unfair power over price in many things. That J. S. Mill was of the same opinion seemed clear by his doctrine of the universal increment of rent. Several other excellent writers seemed aware that the vast increment of rent which had accrued to landlords in the previous two centuries was largely won by them without reason, but could not now be restored to the more legal

earners, the farmers, nor yet distributed to their day-laborers. On the other side, to award it to the government as king's revenue seemed to make a king or his ministry dangerously despotic. What we read of old Egypt, and old India ; what we hear of modern China, seemed to forbid awarding the rents of the soil to the central executive if it could be done ever so justly. In this stage the argument rested, perhaps due to the publications of the friends, Thornton and J. S. Mill, till nearly 1880.

When Mr. Gladstone took up the Irish question at and after 1880, we first learned that Parliament could consent to lower rents by the agency of *land* courts, and listen to a prime minister's avowal that Irish landlords had been sponging on the life-sweat of cultivators. The thought was far more familiar to the English public than to our political economists. Now that a prime minister had spoken out concerning Ireland, many mouths were open concerning Scotland and England. It was no longer rare to hear the utterance that a landlord Parliament had adjudged to itself, both in the rural areas and in the towns, the funds which ought to sustain our vast public expenses. No political economy will now be thought fair and just which is based on the assumption that the tenure of land as a *private* possession can justly be the normal state in any nation. It must either be exceptional or transitional. Since the sale of estates up to the most recent time has passed them into innocent hands at increased prices, to repeal so old a system is no doubt difficult without new injustice ; but expressly *because* rents, in an industrious and increasing population, tend to rise, the repeal is at once popular and necessary.

No doubt there are other new questions which have arisen in political economy. One very old method of raising revenue is named among the tricks of Greek tyrants,—that of selling monopolies. In modern Europe many royal exchequers have been familiar with it. Our Queen Elizabeth reluctantly resigned it at the petition of Parliament. In a wholly new form it came to life again in the modern post-office, of which the government accepted the net gains while forbidding the rivalry of private firms. While the annual

gains were several millions sterling, the king of Persia, learning the fact from Sir John Malcolm, for a moment said, "I will have a post-office," but soon found that great prior sacrifices were requisite to make it pay. Our own authorities were very slow to believe that the penny post would pay. After fifty years it has pretty well reached its older height. But now we have superadded a new government monopoly in the telegraph system, and so long as the public is able to control administrators and careless expenditure, many other monopolies may meet approval. Locally, either towns or counties are moving to supplant private companies for water, gas, or electricity. But in the enormous blunders which our admiralty, our ordnance, and military arsenals have made and are making, we have a warning to be very slow in trusting to public management, whether by a royal or a socialistic bureau. One evil ahead we see, in America chiefly, the power of what are called trusts or syndicates to combine against the public for the gain of a few schemers. New study, possibly, will in the near future arm us against such mischief.

But, at the moment, our new claim of economists is, to learn and to diffuse a sound knowledge of just and wise tenure of the land for the benefit of all, a topic which even Mrs. Fawcett seems very little to understand. That Mr. Gladstone *pooh-poohs* it must be expected, until other persons convert his followers for him. Until the English nation takes it up we must not expect to be delivered from an outcry for a socialism which aims to destroy the *rights* and the *responsibilities* of the FAMILY, with the right of private property, to confound nation with nation, and blend mankind in a welter of unintelligible despotism.

About 1831, Whately (soon afterwards Archbishop of Dublin) was Professor of Political Economy at Oxford, and was with many in ill-repute for his severity against relieving beggars. This leads me to mention a saying attributed to him at his own table in Dublin. Some gentleman had extolled the great liberality of landed gentry to the poor on their estates, which led to various talk. At last the archbishop said, "Will you allow me to assume an old man's privi-

lege and to tell a parable? Travellers passing through an Arabian desert suffered from insufficiency of food. One of them had a dog with a very fine tail; so, seizing a hatchet, he called his dog, caressed him and chopped off his tail, then handed it to the cook as material for soup. After drinking up the soup, he threw to his dog the bones of his tail. Such, gentlemen, in my estimate, is the charity of English landlords." A single moral utterance of this type from a rigid doctrinaire may warn us how ill we may sometimes infer an economist's sentiment from his ostensible creed.

In my experience, even such men as Fred. D. Maurice and Charles Kingsley, professed *Christian* socialists, I do not admit to be socialists so long as they approve of interest on money; and while I read that Jesus of Nazareth called a servant wicked and slothful for *not* putting out his master's money to usury, I do not see the fitness of any socialists claiming Jesus as their sanction for condemning interest on loans. I know personally that in 1851 I was attacked as a socialist in conservative newspapers for my lectures, barely because I held my present doctrine concerning land. The confusion is natural, yet quite false, between movables and land with its raw materials. The confusion has been rather aided than cleared up by the school of Cobden and Bright. New economists must now teach our nation.

F. W. NEWMAN.

PROGRAM OF SCHOOL OF APPLIED ETHICS.

BEGINNING on Wednesday, July 1, and continuing six weeks, there will be held at Plymouth, Mass., a School for the discussion of Practical Ethics in the broadest sense of that phrase. The matter to be presented has been selected with regard to the wants of clergymen, teachers, journalists, philanthropists, and others who are now seeking careful information upon the great themes of Ethical Sociology. It is believed that many collegiate and general students will also