

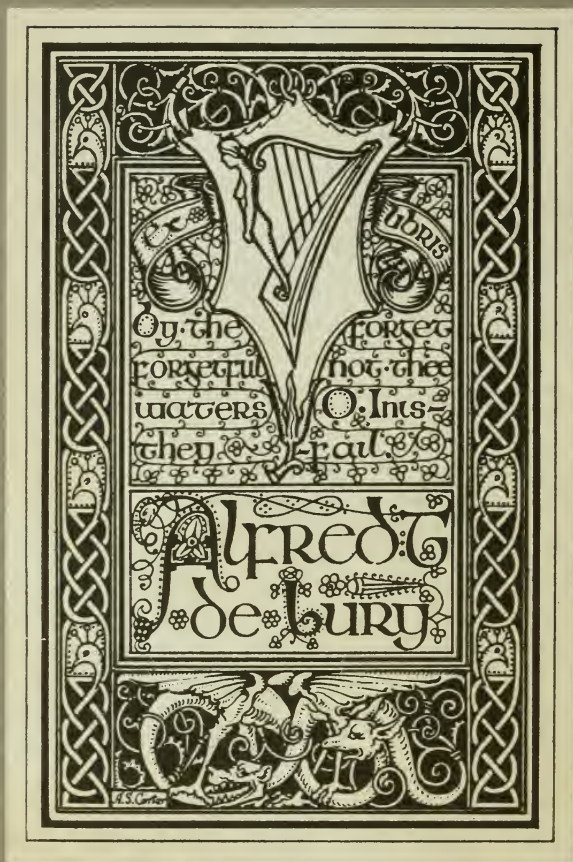
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CLAIMS OF LABOUR LECTURES—No. 4.

THE DEPRESSION OF TRADE,
ITS CAUSES AND ITS REMEDIES.

BY ALFRED RUSSELL WALLACE.

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This Course of Lectures has been arranged on the basis of representing all important sections of opinion on labour questions, and while the Lectures will afterwards be published in a collective form, it is understood that each writer has no responsibility for any opinions contained in them beyond those expressed in his own Lecture.

JAMES OLIPHANT, *Trustee.*

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THE DEPRESSION OF TRADE, ITS CAUSES AND ITS REMEDIES.

FOR about half a century past both our Government and our mercantile classes have acknowledged the importance of political economy, or the science of the production of wealth; and they have made it their guide in trade, in manufacture, in foreign commerce, and in legislation. During the same period we have had such advantages that perhaps no nation in the world's history ever enjoyed before. It is during that time that steam has been applied to railways; during that time the great gold discoveries which added so much to our wealth, and gave such an enormous impetus to our trade, took place. We especially profited by these things, because we had as it were the start of other nations in possessing enormous stores of coal and iron, in the working of which we were pre-eminent. While the railway system was being developed all over the world, it was we who, to a large extent, supplied the coal and iron, and also the skill and labour, used in making these railways. During this same period, too, our colonies have increased with phenomenal rapidity, and have supplied us with customers for the commodities which we produced, and they also afforded a magnificent outlet for our surplus population. With such ad-

vantages as these—advantages which we shall in vain search through history to find ever occurring before—it might be thought that we should have got on very well, and have had a period of continuous prosperity, even if we had had no infallible guide to teach us how to conduct our trade and commerce. Yet after fifty years of these unexampled advantages, after fifty years of following what was professed to be an infallible guide, we yet find ourselves at the present day in the terrible quagmire of this commercial depression. All over the country trade is, and for many years now has been, dull; everywhere there are willing workers who cannot find employment. In all our great cities we have stagnation of business, poverty, and even starvation. Certainly, according to the doctrines of the political economy which we have followed, none of these things ought to have happened; we ought to have had a continuous and enduring course of success.

Now the need of a thorough inquiry into what are really the causes of this commercial depression is very great, because until we clearly perceive what has produced it, we shall be virtually in the dark as to how to find a remedy for it. I consider, then, that a true conception of the various causes which have brought about this state of things, which, according to our professed teachers, ought never to have occurred, will enable us to lay down more surely what ought to be the radical programme of the future.

Last year when the matter became the subject of extensive discussion in the press and in Parliament, we had the most extraordinary chaos of opinion as to what was the real cause. I noted at the time at least eight different suggested causes. One great authority in Parliament stated that there was no accounting for it,—political economy did not explain it. Other great authorities agreed in this view, and the result was the formation of that Parliamentary Commission of

Enquiry which is now sitting. Another suggestion was that it was all a fallacy, and that there was really no depression at all. This was put forward by an eminent member of Parliament connected with the city and connected with money-making. To this class of people no doubt there was no depression; money-making and speculation of all kinds went on as briskly as ever. Another suggestion—I am sorry to say the one adopted by the Conference of Trades Unions of England—was general over-production, an explanation which hardly needs refutation, it has been refuted so often. Other suggestions, of course, were, that it was our free trade that caused it, or that it was the protection which still existed in foreign countries. Then, again, a very general view, and to some small extent a true one, is, that the continuous succession, for three or four years at all events, of bad harvests had something to do with it; but then there was another remarkable suggestion made, that the rather good harvest we had some few years ago was the cause of the more recent depression. That was seriously put forward in a pamphlet published under the authority of the Cobden Club, for it was stated that this good harvest rendered it unnecessary to import so much corn from America, and thus led to a depression in the shipping trade, and that affected all other trades. The last of this series of explanations was, that it was all due to the currency,—that it was due in fact to there having been an appreciation of gold and a depreciation of silver, one or both.

THE MAIN FEATURES OF THE DEPRESSION.

Now it appears to me that a little consideration of the true character, extent, and duration of the depression, will shew us that none of these causes can possibly have been the fundamental cause of it, nor even all of

them together. In the first place, the depression has lasted almost continuously for twelve years. It commenced suddenly at the end of the year 1874, and has extended not only throughout this country but more or less to every great commercial country in the world. I think, taking into account this long continuance, that no such depression is on record, at all events during the present century. Now the characteristic features of this depression are, as I have said, bad trade all over the country, both wholesale and retail, and in every department of industry, with a few exceptions which I shall point out presently. What is bad trade? Bad trade simply means that there is a deficiency of purchasers. Why is there a deficiency of purchasers? Simply because people who ought to be the purchasers have not got the money to purchase with. It is simply diminished consumption,—universal diminished consumption,—and the only direct cause of universal diminished consumption is poverty. Our purchasers, both in foreign countries and at home, have been less able to buy. There is not the slightest reason to believe that they have not been willing to buy, that they did not want the goods, but it was simply that they were not able to purchase them. This implies that whole communities are poorer than they were. The home trade suffering as well as the foreign trade shews that the great body of our own people are poorer. I do not mean to say that the entire country is not more wealthy,—I believe it is,—but nevertheless the masses, who are always the chief support of our home trade and our staple manufactures, are poorer. The same thing is clear of our customers in the different countries of the world, the greater part of those that purchase from us are also poorer. Curiously enough, just in the very height of this depression, there appeared some authoritative pamphlets by Mr Giffen, Mr Mulhall, and Professor Leoni Levi, proving exactly the reverse,

demonstrating that the people were never so well off, and that they were far richer than they ever were before ; and we were told to believe this when at the same time it was universally admitted that their purchasing power had diminished to such an extent as to cause this widespread diminution of trade!

This then, I say, is a statement of the immediate cause of the depression,—universal impoverishment. Now we must endeavour to ascertain what is the cause of this universal impoverishment. To illustrate more clearly the period when the depression began, and what was its nature, I have drawn out a diagram giving our imports and exports—the upper line showing our imports, and the lower line our exports—from the year 1856 to 1884.* If you look at this you will see that our imports, with the usual minor fluctuations, have gone on increasing steadily from the beginning of the period to the end, but our exports follow a totally different course. They went on increasing pretty steadily and regularly, and then rather suddenly, and especially suddenly from 1870 to 1872. The years 1872 and 1873 marked the culminating points of our commercial prosperity. Then there commenced—what I think cannot be found in all the records of our export trade—a rapid and remarkable decline, which continued right on, without any break, down to the year 1879. From that time it began to rise again, and has risen with fluctuations up to the present time ; but even now it does not attain the culminating point it reached in 1872, twelve years ago. But owing to our increase of population and progressive increase of total wealth, we ought to have had a continuous *increase* of our exports much larger than that which has actually occurred.

Another indication of the course of the depression is

* This diagram with others was exhibited at the lecture, and is to be found in the lecturer's book entitled "Bad Times."

afforded by the number of bankruptcies which took place during that same period. I will state briefly what are the facts. In the year 1870—that is, during the period of our prosperity—the annual bankruptcies were about 5000, including bankruptcies and compositions with creditors. Shortly after the depression had commenced in 1875 they had reached 7900. In the year 1879, when the depression had reached its height, they had amounted to no less than over 13,000. From that time they diminished in number to 9000 in 1882 and 8500 in 1883, and in 1884—almost all who could become bankrupt having become so—they have decreased to about 4000. These numbers illustrate and enforce the diagram of exports, showing that the bankruptcies began to increase just after the culmination of our commercial prosperity, so that there is no doubt whatever that the real depression commenced about the year 1873 or 1874. This is important, because many writers insist upon leaving out of the question altogether this long continuance of the depression, and they treat it as a comparatively recent thing, which has entirely come on in the last two or three years; and, in fact, one of the two prize essays which have been recently published by Messrs Pears never said a word about the depression having lasted ten or twelve years, but treated it as if it had commenced within the last three or four years.

TRUE CAUSES OF THE DEPRESSION.

Now that we have got at what are, I think, the main facts, let us consider how we ought to set about to find what are the true causes. First, then, a cause to be worth anything must be a demonstrable cause of *poverty* in some large body of the people. Another essential point is, that it must have begun to act, or at all events must have acted with increased intensity,

about the *period* when the depression commenced. Another point is, that it must have affected not ourselves alone, but several of the great manufacturing countries of the world. Now unless any alleged cause will answer to at least two out of these three tests, I do not consider that we ought to admit it to be a true cause ; and you will find, I think, that none of those eight suggested causes which I summarised at the beginning of my lecture will at all answer to these conditions. After much consideration as to what are the real causes which answer to these conditions, and which are of sufficient importance and extent to account for the whole phenomenon, I have arrived at the conclusion that they are four in number. The first is, the excessive amount of foreign loans that were made about fifteen or twenty years ago ; then there is the enormous increase of war expenditure by all the countries of Europe that also occurred about the same period ; another cause is, the vast increase of late years (of which I shall give you proof) of speculation as a means of living, and the consequent increase of millionaires in this country ; and the last, and one of the most important of all the causes, may be summarised in one of the results of our vicious land-system, the depopulation of the rural districts and the over-population of the towns.

FOREIGN LOANS.

Now let us take these four causes in succession, and endeavour to see what was their extent, and how they acted. First, then, as to the foreign loans, to the effects of which very little attention has been paid. From the year 1862 to 1872 there was a positive mania in this country for foreign loans. The amount of these I endeavour to illustrate in this table by shewing simply the new debts—the increase of former great national debts

—created by the chief powers of Europe between 1863 and 1875 :—

New Debts created 1863-1875.

France.....	£500,000,000
Italy.....	200,000,000
Russia.....	400,000,000
Turkey.....	200,000,000
Egypt.....	80,000,000
Tunis	7,000,000
Central and South America	73,000,000

£1,460,000,000*

You will see that the total sum amounts to nearly £1,500,000,000 sterling. Now a very large portion of these loans were supplied by this country, and it is very important to consider what effect they had. First of all, you must remember what these loans were for, and what they were chiefly spent on. The greater part of them were spent in war or preparation for war, or to supply means for the reckless extravagance of foreign despots. Now, as I have pointed out, we at that time were the pre-eminent manufacturers in the world, and held the first place much more completely than we do now; so, as we supplied a large part of this money and had extensive commerce with all these countries, the natural result—at all events, the actual result—was, that a large part of this money was spent with us. Whether it was war material or new railways that were wanted, or jewellery or furniture or other luxuries required by the kings and despots who got the loans, a large part of it was spent with us. The consequence was that for a time everything seemed flourishing. Our trade went on increasing, as

* England probably lent half of this amount; and in five years only, 1870-75, we lent about £260,000,000 to foreign States, besides an enormous sum in railways and other foreign investments or speculations.

Mr Gladstone said, "by leaps and bounds," and culminated in that wonderful period of apparent prosperity in the two years 1872 and 1873. About that time the money was nearly all spent. What happened then? Not only was there a sudden diminution in the demand,—that was natural,—but what was worse, there was a great diminution in the normal demand which had previously existed in those countries whose kings or despots had obtained these loans,—for this reason, that up to that time the interest on the loans was paid out of capital, but when the money was all gone the interest had to be paid out of taxation; and from that moment, by the increasing taxation upon these people whose governments had obtained these enormous loans, they were all impoverished to that extent, and therefore became worse customers to us and to every other country.

Now this is a real, an important, an inevitable cause. Perhaps some of you will understand it better, however, if I illustrate it by supposing a simpler case. Let us suppose, for instance, that there is a country town in which the people are tolerably well off, and where trade is tolerably flourishing. There comes into this country town a body of money-lenders, and they offer everybody loans on easy terms. Not only do traders and farmers and others get these loans, but all kinds of spendthrifts and idlers. Of course they spend the money they borrow, and during the few years they are spending there is an enormous amount of trade done in the place. Shopkeepers think there is a kind of millennium coming, and increase their stocks and expect to make fortunes. But after two or three years the lenders see that no more money can be safely lent and stop the supplies, and immediately come down upon those who had the money for their interest. We supposed that a very large portion of the community had these loans, and the consequence is they all suddenly become poorer by the amount of

the interest they have to pay. Consequently not only do the shopkeepers lose their temporary increase of trade, but they do less trade than they did before that increase began. The last state of these men is in fact much worse than the first.

INCREASED WAR EXPENDITURE.

We will now come to the next real cause of the depression, and that is the enormous increase of military and naval expenditure, which also began about the same time, and has been continued almost up to the present day. It is a curious thing that up to the year 1874 our whole military expenditure had been for many years stationary. It was stationary at about £24,000,000,—some years it was a little more, some years a little less. Then there commenced a sudden increase, corresponding with that of all the other nations of Europe, though not to so great an extent ; and from that time—from 1874 till the present year—it has increased rapidly till it is now £29,000,000 or £30,000,000. But that is nothing to the increase which has gone on with the other nations of Europe. They also had previously a tolerably fixed amount of war expenditure. But then two great events happened,—one the Franco-German war, and the other the wonderful and continuous progress in the applications of science to war-like inventions. Not only did iron-clad ships rapidly increase in size, weight, and cost, but very soon steel began to be used, and cannons were made larger and larger in size. Every kind of projectile was improved till they have become works of art of the most costly description. The torpedo was invented, and in fact an amount of skill and science was devoted to this one destructive art perhaps greater than has been devoted to any other art in the world. The result was that, owing to the dread of the increasing power of Germany, and the necessity of rivalling her in the

application of science to destruction, the great military nations of Europe immediately commenced an enormous increase in war expenditure, and a few figures will show how great this increase was. I am speaking now of the years 1874 to 1883. Austria increased her expenditure from £7,000,000 to £13,500,000 ; France, from £18,000,000 to £35,500,000, very nearly double ; Germany herself, not so much, because she was in a very fine position before, from £17,000,000 to £20,000,000 ; Italy increased still more, from £9,000,000 a year to £19,000,000 a year ; Russia, from £20,000,000 to £30,000,000 a year. The total of these shews that whereas up to 1874 these six great nations spent £96,000,000 a year on their warlike material and expenditure, in 1883 they spent £150,000,000. Here was an increase of £54,000,000 sterling, all newly added to the taxation of these countries, and, remember, the most utterly unproductive taxation that it is possible to conceive.

EVIL RESULTS OF WAR EXPENDITURE.

Now it is not generally considered how varied and extensive are the evil results of such expenditure. The losses involved by it may be summarised under three heads. We have, first, the large number of men employed unproductively ; secondly, the increase of taxation ; and, thirdly, the vast destruction and waste in war.

First, as to the unproductive men. I find that the European armies have increased since 1870 by 630,000 men,—more than half a million. The present total is more than three and a-half millions of men, and this is what they call a peace establishment. Then it is not generally considered that this number of men by no means represents the number of men who are taken away altogether from productive work, for in addition to those who do nothing but drill and

prepare for the purposes of destruction, you must have another army of men who are employed in supplying these with the materials for destruction ; and I believe, if we could follow out all the war material to its source, and thus arrive at the total number of the men thus employed and taken away from real production which adds to the wealth of the community, it would be found to constitute another army much larger than this huge army of 3,500,000 men. For you must remember that in one of our huge ironclads you do not merely have the men engaged in its construction, but you must go back to every ton of iron and coal used, to the men engaged in extracting the ore from the earth and in making the raw iron into its various forms, to the men engaged in making the elaborate machinery connected with it,—the engines of war, and the wonderfully elaborate fittings so complicated that one of these great vessels is almost like a city,—and if you follow all these back to their primary beginnings in all parts of the world, you will find that there must have been an enormous army of men employed in the construction of a single iron-clad. Add to that the wonderful machinery used in constructing our guns and torpedoes, the munition, clothes, food, everything that is used by these men ; and if we further consider that armies waste perhaps more than they consume,—taking all this into consideration, you will find that it cannot be less, but probably is much more, than another army of 3,500,000 men engaged in the service of the actual army. So that we have a total of 7,000,000 men at the present time entirely occupied in preparing for the work of destruction. If, as is admitted, the army itself has increased by 630,000 men, I think it more than probable that the increase of this army who wait upon them has been proportionally much greater, because the appliances they require—the weapons, the ammunition, and the scientific appliances of an army in the field—

are so immensely more elaborate than they were forty or fifty years ago, so that it will be necessary to add near a million of men employed in this work, and we shall have about a million and a half of men whose labour is utterly wasted, in addition to those actually engaged in the destructive, wicked, and useless purposes of war.

We have a very striking indication, and to some extent a measure, of this enormous waste of human labour, in the increase of the total fiscal expenditure of these six great powers. Taking the different estimates of their annual expenditure for government purposes from 1870 to 1884, I find that these six great powers have increased their annual expenditure by £266,000,000 sterling. That is the increase of the six great powers of Europe, and that increase is almost wholly due to this terrible war expenditure which I have been trying to put before you. That £266,000,000 means, of course, £266,000,000 of additional taxation beyond what there was before. Surely this is a cause of the most terrible impoverishment, and sufficiently accounts for people not being so well able to buy as they were before. Then, again, we must remember that whenever this great engine is put to its destined use, there comes another loss in the actual destruction of property and life. In every country where war is carried on, as a necessary result towns and houses are battered down, vineyards and fields are rendered desolate, fruit trees are destroyed, and consequently we have an overwhelming amount of destruction of property whenever this war machine is put into motion ; and here again is a cause of poverty, and therefore one of the most direct and immediate causes of the depression of trade.

Now this machine has been put into action almost continuously, either in greater wars or lesser wars, and as we supply goods to almost every nation in the world, it does not matter where the war is, one

thing is certain, that a considerable number of our customers are killed and a much larger number are impoverished. Just consider; in 1872 we had the great Franco-German war; in 1875, the Ashantee war; in 1878, the terrible Russo-Turkish war; in 1879 and 1880, the Transvaal and Zulu wars; in 1881, the Afghan war; in 1883, the Egyptian war; in 1884-85, the Soudan war; and since then the French Tonquin war and then the Mahdi war. Now we have the Burmese war, and the Soudan war is still going on. Every one of these wars kills or impoverishes our customers; and consequently, not only by the cost of the huge armaments, but by the vast destruction of life and property they bring about, the war expenditure of Europe is the cause, to an unknown but enormous and incalculable extent, of the existing depression of our trade.

Now these two great causes,—loans to foreign nations, at first inflating and then necessarily depressing our trade by the impoverishment of the people; and the increase of war costs, which, as I have shewn you, have been always enormous, and have been of late years ever increasing,—these two may be considered to be the great external factors which have caused the depression of trade, by impoverishing our customers all over the known world. The effects of these two causes are clear as daylight; the result is an inevitable result; and the amount of the evil is so gigantic, that I think I am justified in placing them in the front as the most important and inevitable causes of the depression of trade. Yet, so far as I am aware, during the many months that the Royal Commission has sat not one word has been said about either of these causes; and I believe, when the final report of the commission is issued, that you will probably not find one word about them.

THE INCREASE OF MILLIONAIRES AS A CAUSE OF DEPRESSION OF TRADE.

I now come to another branch of the subject, that which deals with our home trade,—with the causes of the depression in our home trade in addition to that produced in our foreign commerce. I have given the increase of speculation and of huge fortunes made by speculation as one of the chief causes, and I will first adduce a few facts to prove that it is really the case that millionaires have been recently increasing.

The sums paid for probate duty have been published, and they shew the amount of property on which probate duty is paid, but this only covers what is called the personal estate, it does not cover the landed estate ; consequently, whatever the valuation is, it represents only a portion, and sometimes only a small portion, of the whole estate. To make it simple I have divided the results into two periods,—the ten years previous to the commencement of the depression in 1874, and the ten years subsequent to it. Between 1862 and 1873 I find that 162 persons died with fortunes of over a quarter of a million. In the next ten years they had increased to 208 persons who had died with fortunes of over a quarter of a million. This is an increase of over 29 per cent. The detailed figures shew still more remarkable results, because they shew that the increase was still more rapid in very great fortunes, in fortunes over a million. In addition to that a very considerable number of great landowners have died who paid no probate duty, but whose capitalised fortunes have been from one to five millions sterling each. We have not the exact figures, but still we know that their fortunes have been of late increasing, owing to the increase of our large towns and the enormous increase of ground rents which have arisen in them. The main result is, that a few,

that is comparatively few, have become much richer than they ever were before; and it appears to me that it is a demonstrable fact that, when those who are very rich suddenly become more numerous and still richer, without any increased power of wealth-creation independent of labour, then, as a necessary result, those who are poor become poorer.

This principle was laid down very clearly by Adam Smith, strange to say, in the very first sentence of his "Wealth of Nations," but I do not know that much attention has been paid to it. The sentence is this. He says :—"The actual labour of every nation is the fund which originally supplies it with all the necessities and conveniences of life which it actually consumes, and which consists always either in the immediate produce of that labour or in what is purchased with that produce from other nations." This lays down a proposition perfectly clear, that there is no other source whatever of wealth in the country than the produce of the labour of its people. Hence it follows absolutely and indisputably, that if a larger proportion of that wealth goes to the few, a smaller proportion must remain with the many. As some people may not clearly see the bearing of this statement of Adam Smith, let me just illustrate it by a few particular cases. It is quite evident that all the wealth of the country is produced by labour, or by the use of labour and capital combined, and everybody who gets wealth must get a portion of this total amount. There is no other source from which he can get it. Whether he obtains it in the form of rent or from the taxes it comes exactly to the same thing, it can only come out of the produce of labour. In the same manner, whether he gets it in payment of wages or remuneration for professional services, those who pay it can only have got it, directly or indirectly, by labour. Consequently the fact is indisputable, that the produce of our labour measures

the whole available wealth produced by us in the country, and that wealth has to be distributed by various ways among the whole community. Consequently if it is clearly proved, as I think it is,—to prove it in detail would require a much more complete examination of the statistics of the country, but I think it can be proved,—that the large body of the very rich have been steadily growing richer, then it follows as a logical result that the remaining body, or at least a portion of the remaining body, must have been growing poorer.

A PROOF OF INCREASING POVERTY.

Of course this has been denied over and over again, but I have endeavoured to get some confirmation of it by examining the information given in the census returns. The full census report, as you are probably aware, gives a great amount of detail as to the occupations of the people at different times, and I have looked up the facts as to the increase of the persons employed in particular trades and manufactures for the purpose of seeing what light it would throw upon this question, and I found that it supported in a remarkable manner the statement which I have laid down for your consideration, that is, that the great masses of the people have been growing poorer while the few have been growing richer. And it illustrates it in this manner:—Whenever we have a manufacture which depends mainly on the consumption of the masses, we find that there has been either a decrease of those employed in it, or at all events that it has been stationary; on the other hand, where we have a special business or profession or trade which is supported wholly or mainly by the wealthy, we find an increase, and sometimes an enormous increase. When I use the word increase or decrease, I always mean an increase or decrease in proportion

to the total population. Thus I find, taking the increase of population into account, between the two censuses of 1871 and 1881 (the last we had) the persons engaged in the cotton manufactures of this country diminished 20 per cent. in that period; persons employed in the linen and woollen trade diminished 15 per cent.; metal workers remained stationary; and drapers diminished 7 per cent. Now these are all businesses and manufactures which certainly depend upon the consumption of the masses. Now we come to those which more especially depend upon the consumption of the wealthy. Milliners increased 4 per cent., more than the whole population increased; carpet makers increased 9 per cent.; florists and gardeners increased 10 per cent.; musicians and musical instrument makers increased 23 per cent. These remarkable facts support my contention,—and may almost be said to prove it,—that the rich have grown richer and have been able to indulge in greater luxuries, while the poor have grown poorer and have been obliged to do with less of the bare necessities of life.

THE INCREASE OF SPECULATION.

The census also gives some remarkable illustrations of what I stated some time ago as to the increase of speculation as a business. In the same ten years I find that persons registered as bankers or bankers' clerks increased 21 per cent., and accountants 6 per cent.; and then there comes a most extraordinary item, which the census authorities note and say they are utterly unable to explain, and that is that persons who call themselves insurance agents or brokers have increased 300 per cent. I can only explain it by supposing that there are an immense number of people who live in the city by speculation who find it convenient to call themselves insurance agents or brokers.

I think, as far as I can judge from advertisements in the newspapers, that this mania for speculation has been going on at an increasing rate; that is, that within the last few years it has increased more rapidly, and its effects therefore have been more injurious, than ever.

I now wish to point out to you another indication,—another field as it were,—in which this speculative mania has produced the most deplorable results, and has acted, in combination with other causes, so as to increase the poverty of one class and the wealth of another class, and has thus, as I shall shew you, tended directly to produce depression of trade. Somewhat more than twenty years ago an act was passed which was considered by the whole commercial world as one of the greatest boons ever given to it; this was the Limited Liability Act. This act was universally approved of; was supported and praised by such a great and thoughtful writer and friend of the working classes as John Stuart Mill. But I do not think he could possibly have foreseen what would come out of it. About two years ago a short parliamentary paper was published giving a kind of summary of the results of this act. It is a curious thing that this parliamentary report seems to be totally unknown, for I inquired of several friends in the city, particularly of one who is an accountant in the city, and whose business largely consists of winding up those companies, and he did not know of its existence. The report gives us some very startling facts. It covers a period of exactly twenty-one years, and is thus easily divisible into three periods of seven years each. In the first period I find that 4782 companies were formed, being at the rate of about 700 per annum. In the next period the number increased to 6900, and in the last seven years to 8643. Out of this total of about 20,000 distinct companies formed in twenty-one years only 8000 are now in existence, 12,000 having been wound up! It

is also stated in this parliamentary report that the actual paid-up capital—not the nominal capital—of these 8000 companies was £475,000,000 ; that is about £55,000 each on an average paid up, some of course very much more, and some very much less. Now, not to take an extreme estimate, suppose we reduce this average of £55,000 down to only £10,000, and consider that each of the wound-up companies involves a loss to its shareholders of £10,000, I think everybody who knows anything about them will think that absurdly low, and yet that would involve a loss of £120,000,000 sterling to the unfortunate shareholders.

EFFECT OF SPECULATION IN DEPRESSING TRADE.

Now let us think what is the effect of this continuous loss—and in many cases absolute ruin of a large number of persons numbering many hundreds of thousands—by the failure of these companies? I dare say in this meeting there is not a person but knows one, and most of you several, individuals who have been ruined by such things. A great number don't like to speak about the matter, and keep it secret, and therefore nothing is heard of it ; but we have the absolute fact that thousands of individuals, mostly persons with small means, deluded by flattering prospectuses, were induced to invest their means in these companies,—persons of the middle class and small means, very often officers and widows and country clergymen, scattered over the country. These have lost, at the very least, £120,000,000, and much more likely three or four hundred millions sterling. Now just think what is the effect of the ever-increasing impoverishment of this large body of the middle classes, and we will take it in connection with the increasing mass of speculators who have become millionaires from the losses of these men. The one are counted by hundreds, and the other by tens of

thousands. Some people will perhaps say, "What difference can it make to trade, if the money is there, and the money is spent?" But I want to shew you that this is a most delusive idea, and that it really makes all the difference to trade. When you have a thousand families of the middle classes impoverished, it means that you reduce their outlay on all the staple manufactures of the country. In clothing, furniture, and everything in fact that makes life agreeable, they are obliged to economise, simply because it is more easy to economise in these than in absolute food. Therefore all over the country there is a diminution in the demand for the staple products of the country ; but when this money is accumulated, and goes into the hands of a few speculators, it is spent on different things,—on ornaments, entertainments, yachts, horse-racing, foreign travel, and hundreds of other ways,—it is spent on that which all economists tell us, and perfectly truly, is the most unproductive expenditure. Consequently the loss to the manufactures and trade of the country is enormous by every million of money transferred from the industrious working or middle classes to rich speculators, and is thus a real cause of depression of trade. I think I am therefore quite justified in maintaining, that although it is I believe certain that the aggregate wealth of the country has been steadily increasing all these years, still that wealth has been becoming more unequally distributed, and that inequality is the direct cause of a large proportion of depression of trade.

DEPRESSION OF TRADE IN AMERICA.

Now I did not mention it at first,—I passed over rather too quickly from foreign to home trade,—but I may mention now, that the reason is very clear why the depression which affected us should affect all other great commercial countries of Europe and America.

It is because all the causes which I enumerated as producing depression of trade as regards our foreign commerce would affect all those other countries just as well,—that is, they have produced a real impoverishment of the peoples who were customers both of ourselves and other manufacturing countries. Therefore the causes acted with the same effect on France, Germany, and America as they did with us, to the extent that their manufactures went abroad to other countries.

But there have been some special causes affecting America which account for the remarkable fact that, notwithstanding the advantages they possess in their enormous territory, and the great energy and enterprise of the Americans, they have still suffered from this depression perhaps as much as we have done. The reason is to be found in the fact that with them this last evil of speculation is greater and far more gigantic than even with us. Everybody has heard of the “corners” in America, by which a lot of speculators get hold of the whole trade of the country in a certain article, and get a monopoly and manipulate it for their own purposes. This has been applied to almost every industry. But the most destructive cause of depression in America is the successive railway manias which they have had. The first was from 1867 to 1875. There was a continuous railway mania during those years,—a mania for making railways in America. In that period 40,000 miles of new line were made, and in the one year 1872 no less than 7000 miles of new railway were made. That coincides with the culminating point of our prosperity, and a large part of the iron for these lines was sent from England. The larger part of these railways was made merely for speculative purposes, and was very largely unproductive. The shareholders were often ruined, and consequently the exact effect was produced in America that was produced in our country by the

limited liability mania. This railway mania, after a lull, broke out again in America a few years ago, in 1880, and in 1882 no less than 11,500 miles of new railway were made. It has been estimated by one of the most able statisticians in America, that this increase of the railway system went on four times as fast as the increase of the produce to be carried on the railways. That clearly shews that most of these railways have been failures,—so much money thrown away, and those who lost it must have been impoverished. Here then you have a very widespread and enormous cause of impoverishment, and therefore of depression of trade in America. In fact, we hardly need to go further.

Then, again, as to millionaires in America, I do not know that they are greater in number, but they exceed us in the gigantic sums they possess. While our millionaires reckon by two or three millions, the American millionaires get up to ten and twenty millions. And of course the result is still more clear, all this money must have been obtained out of the purses of the community, and to that extent the labourers who produced it are so much worse off than if the money had gone into their own pockets instead of into the pockets of the millionaires.

There is yet another source of poverty in America which we have not to so great an extent in this country, and that is the “rings” that sometimes get possession of municipalities in America. You have heard of that wonderful “ring” in New York which got possession of the municipality, and plundered the whole community. They kept it up for years by wholesale bribery. That is a thing we do not hear much of in this country, but we may be sure that what was done so boldly in New York was imitated in other towns, and the result may perhaps be seen in the municipal debt piled up in America far beyond what it is in this country. The municipal

debts of this country are held to be a great and growing evil, and help to occasion depression of trade. But in America it is worse. An estimate was given in an American paper some time ago; it may not be correct, but it gives perhaps a fair approximation. It compared American with English municipal debts. It compared the fourteen chief cities in America with fourteen large English towns, leaving out London, and it was found that the average taxation per head in America was fourteen dollars, whereas in England it was only seven dollars; and that while the municipal debt in America was forty-one dollars per head, in England it was only twenty dollars. In addition to that, it was stated that the area over which this municipal indebtedness extended was greater in America than in England; that small towns in America—the very smallest towns in the country—are often burdened with debt, and even to a much greater proportion than the large towns. It has often puzzled people why America should have suffered from this depression, but I think the few facts I have put before you give a sufficient clue to it.

DEPOPULATION OF THE RURAL DISTRICTS.

I now come to what I consider to be by far the most important part of our subject, because it is that with which we are in the closest relation, and which is, I believe, the most direct cause of widespread poverty—rural depopulation. This rural depopulation has been going on for probably a very long time, but it was not seriously noticed till ten or twenty years ago. Before that many of the counties seemed to be stationary in population, but in 1861 it was noticed that a few counties had not increased, but rather diminished, during the preceding ten years, in 1871 seven or eight had decreased in population, and in 1881 fifteen counties had decreased. But besides this decrease in

certain counties, the census returns give very accurate and detailed information as to where this depopulation occurs, and to some extent how it occurs.

The whole of England is divided into registration districts and registration sub-districts. These registration sub-districts are about two thousand in number, and consist of an aggregation of parishes, roughly speaking not very unequal in size, and probably not very unequal in population. In towns they are of course much smaller in area. The increase or decrease of each of these registration sub-districts is given in the census, and I took the trouble to go through the tables and take out all the cases of decrease, and I found that there has been a decrease over a very large number of these sub-districts. I have endeavoured to exhibit these in a diagram giving the total result. If you suppose this square to represent the area of England and Wales, then over the lower portion the population is decreasing,—that is, over about half the area of England and Wales there was actually less population in 1881 than in 1871. But you must remember that the population of the country has been going on steadily increasing all that time. In the ten years the population of the whole country has increased fifteen per cent., and that is exclusive of those who have emigrated, so that the actual rate of increase of the population is somewhat more than that. Then, again, it is perfectly well known that the rate of increase—what we may call the natural increase—of dwellers in the country is somewhat higher than that of dwellers in the towns; the birth-rate is higher, and the death-rate lower.* Therefore it is a very low estimate to consider that what may be called the normal increase of people dwelling in the country is seventeen per cent. Therefore the area that is actually

* See Dr Stark, in Tenth Report on Births and Deaths in Scotland, quoted by Darwin in his "Descent of Man," p. 138.

decreasing will not represent the whole of the area from which people have migrated into the towns; they have also emigrated from all those areas in which the population has not increased so much as it would normally have increased. That is, if in any area there is less than seventeen per cent. of increase of population since 1871, it is perfectly certain some of the people must have gone out of that area; and if we add to those which have actually decreased the areas in which the population must have emigrated in order to make the increase so little as it is, then we shall find that the small space above the upper line—perhaps one-fifth of the whole—will about represent the area of increase up to and above the normal rate. This increasing area consists almost wholly of the great towns and the residential districts around them, while all the rest of the country has been becoming more or less depopulated. The amount of the decrease of rural population is a distinct question. I find that the actual depopulation that is the diminution of inhabitants for the ten years in these decreasing sub-districts, amounts to three hundred and eight thousand. Then I take the amount the population of these areas ought to have increased in ten years at seventeen per cent., and that added to the actual decrease gives an effective diminution of nearly a million from this decreasing area. Then adding to this the emigration from the area of small increase, I find that in the ten years the people who have migrated out of the county districts into the town districts, with their natural increase in the same period, amounts to about one million and a quarter.

THE EFFECTS OF THE DEPOPULATION.

Now let us consider what are the results of this migration from the country into the towns. The greater part of those people who have migrated are

not necessarily agricultural labourers. About one-third are agricultural labourers, and the remainder are what you may call villagers,—people who carried on various trades and occupations of various kinds in villages and small towns. The causes that led to the labourers migrating affected them also, and they migrated to a still larger extent, and the result is to be seen in a most striking fact which has been brought forward among others to prove the prosperity of the country, and that is the enormous increase in the import of certain articles of food. Most of you know—at all events it is a well-known fact—that country labourers and many other rural inhabitants are fond, when they have the chance, of keeping pigs and poultry, growing potatoes and other vegetables. Now it is a most singular thing that if we compare the years 1870 and 1883 there is an enormous difference in the imports of these articles of food. It is so great that it seems almost impossible; but the figures are taken from official papers. In 1870 we imported less than a million—860,000—cwts. of bacon and pork, whereas in 1883 it had risen to 5,000,000 cwts. Of potatoes there were imported 127,000 cwts. in 1870, and 4,000,000 cwts. in 1883; of eggs in 1870, 430,000,000, and in 1883, 800,000,000. Now 1870 was in the midst of our period of prosperity; we were supposed to be all well off; wages were high, and men were all in full work. But 1883 is in our period of depression and distress, and it is actually maintained by Mr Giffen and other statisticians who put forward these figures to shew the prosperity of the country, that we consume more to this enormous amount when our trade is depressed than we did during the period when it was most prosperous! It appears to me on the contrary that these facts are due to a decreased production of food, caused in part by the enormous emigration of people out of the country into the towns; and that means

a diminished production of wealth for the country, and an enormous increase of pauperism and misery in the towns where these people go.

EVIDENCE OF THE INCREASE OF DESTITUTION.

It is very difficult to get direct evidence of this, but there is one piece of indirect evidence—though it may be almost called direct—which I adduced some years ago, but can never find answered or explained in any way consistent with that increase of prosperity of the masses which is so persistently alleged. In the reports of the Registrar-General for London—and he takes in an enormous area called Greater London—he gives the deaths in workhouses and hospitals each year. In order to arrive pretty fairly at what may be called the destitute who die in these institutions, I have taken the deaths in the workhouses and one-half of the deaths in the hospitals. In 1872 they amounted to 8674, or 12·2 per cent. of the total deaths; in 1881 to 13132, or 16·2 per cent. of the deaths. Now I want to know, if the masses of the people of London and its suburbs were better off, or even as well off, in 1881 as in 1872,* why did 30 per cent. more of them die in destitution? If we take the proportion of deaths to those living, we find this increase of 4458 deaths of the destitute in these ten years means the addition of 107,000 to the destitute poor of London! Now all this, which shews a real and dreadful increase of poverty, necessarily means depression of trade. If there are 100,000 more destitute persons in London now than there were ten years ago, there are so many less customers for the staple products of the country.

* The year 1872 is taken because 1871 was the year of the great epidemic of smallpox, when the number who died in workhouses and hospitals was abnormally large.

Then, again, if we turn to another country—the sister country Ireland—we find that still more remarkable and still more distressing events have occurred. There the population has decreased half a million since 1870, and during the same period the emigrants have amounted to 883,000, so that though the population has gone on slightly increasing, the increase has been far more than counterbalanced by the enormous number of emigrants; and you must remember that the emigrants are mostly men in the prime of life. Those who are left behind are the women and children and the old and the weak. We cannot wonder, therefore, at the increase of poverty and pauperism in Ireland. That increase is measured very well by the cost of poor relief. In 1870 the relief cost £814,000; in 1880 it cost £1,263,000,—an increase of 50 per cent. on the cost of the poor, with a decreasing population! There, again, is a most tremendous cause of the depression of trade. You have got a much smaller population in Ireland, and a population very much poorer than it was, and that necessarily results in a depression of trade, because we supply Ireland with most of the manufactures she consumes.

CAUSES OF RURAL DEPOPULATION.

It is, however, not sufficient to know the facts of this rural depopulation, but we must say a few words on its causes. These causes have been pretty clearly made out by little bits of evidence that have been found here and there in the reports issued by the last Agricultural Commission. We find it clearly stated by these official reporters that a considerable body of the farmers of England have been ruined by excessive rents. For many years past they have been paying rent out of capital, hoping for better times. Notwithstanding bad harvests and bad seasons, they

have kept struggling on as long as they could by means of partial remissions from their landlords, but a large number have been utterly broken down, and have been obliged to give up their farms. The farms have not found fresh tenants, because the landlords will not let them, except on exorbitant terms, and with the usual onerous conditions, and consequently a large number of landlords all over the country have been turning their lands from arable into pasture. The reason they do this is that they can then obtain a return at a minimum of outlay and risk. When they have turned arable land into pasture, the annual produce is not above one-tenth of the value that it was before, but it is obtained with considerably less than one-tenth of the outlay. The consequence is that it means profit to the landlord; but it also means ruin to the country.* It is one of the causes, perhaps the chief cause, of the great exodus of population that I have been pointing out to you. It is estimated that for every hundred acres of land thus converted from arable into pasture two labourers must be discharged; and as at least a million acres of land have been so converted between 1873 to 1884, that means that 20,000 labourers and their families were discharged for this one cause alone. Along with them, of course, went numbers of tradesmen who depended on them for their support; and mechanics and others who were employed by the farmers and in the villages have also left, partly for the same reason, and partly because it has become more and more the custom for large farmers to get all their work done and machinery

* It is stated by Hume in his "History of England," "that in the year 1634 Sir Anthony Roper was fined £4000 for depopulation, or turning arable land into pasture land, under the provisions of a law enacted in the reign of Henry VII." Cannot this most just law, which has probably never been repealed, be put into operation now?

repaired in manufacturing centres rather than in the villages by the local workmen.

Now the amount of food lost to the country by this change from arable to pasture is enormous. I have taken the estimates made by two or three of the most authoritative writers. They give the average produce of arable land at £10. 5s. per acre, and they also give the average produce of pasture land at £1. 9s. per acre; consequently there was a loss of £8. 16s. on every acre converted. That means nearly £9,000,000 of loss to the country by this 1,000,000 acres that we know from official returns have been changed from arable to pasture, and the change is believed to be going on to this day far more rapidly than ever.

But there is another cause of rural depopulation. Just now the landlords are trying to persuade the country that they are very glad to let poor men have land, but hitherto it is notorious that they have always refused to let them have it on any reasonable terms. This is very well known to be the rule, and to have been a chief cause of this terrible exodus of labourers from the country to the towns. In addition to this they will give no security to the farmers for their improvements. They treat the farmers in every respect exactly as they treat the labourers. If they do offer the labourers land—as they are doing now that there is a deal of excitement on the subject—they never give it except on what are prohibitory terms,—that is, as yearly tenants, and without any security whatever for their labour and improvements.

Now the report of the Agricultural Commission, to which I have already referred, contains some remarkable evidence as to the results obtained in those few cases where landlords really do their duty, and treat the land as a trust rather than as property only. There are two or three landlords in the country who have done so, and in every case where such land-

lords' estates are referred to in these reports, it is invariably stated that there is no depression in agriculture, that the farmers are well off, the labourers are well off, and all are contented. That is remarkably the case in parts of Cheshire and Suffolk on Lord Tollemache's estates. Lord Tollemache is almost the only landlord in the country who not only gives his farmers voluntarily perfect security of tenure, but he also gives every labourer as much land as he can cultivate, at a moderate rent, and on an equally secure tenure; and, what is more remarkable, he encourages outsiders of decent character—anybody, in fact, who likes—to come and settle on his estate. He offers land to build a house, and a few acres in addition on which to keep a cow, at a low rent. The result is that on his estate everybody is well off; the farmers are contented, the labourers are contented and prosperous. The farmers say they have the best of labourers to work for them, utterly disproving the common assertion that if you let a labourer have land he will not work for the farmer. At the same time the labourers and the farmers find customers in those persons who have come to live on the land, and small communities are thus formed which are to some extent self-sufficing. When we get a community of that kind, consisting of various classes, all living together, but scattered about on the land, they all tend to support each other. Each one finds employment or assistance from the other. There is a market at hand, and we do not see that absurd system of sending all the butter and poultry to a place a hundred miles away, while a person who lives a mile from the farmer is obliged to get his poultry and butter from the town. That is what they call economy of production, but it is certainly waste in distribution.

RESULTS OF PEASANT CULTIVATION.

The amount of loss involved by this driving the labourers from the country to the towns is also brought out very strongly by the evidence of a Tory landlord, who has repeated it several times, and I will take it therefore as correct. In Buckinghamshire Lord Carrington has land which he lets out in lots to labourers. He has about eight hundred of these allotments already in the hands of labourers and others, and he has stated publicly that of these allotments the average produce is £33 an acre *more than the produce of the same land in farms*. Therefore, as far as these allotments are concerned, there is a positive gain to the country on every acre of land to the extent of £33 a year. Some years ago, in 1868, when produce was not nearly so valuable as it is now, there was a Government Commission on the employment of women and children in agriculture, and it obtained evidence that the average produce of such allotments all over the country was £14 an acre more than that of farms. Then, again, there is a curious piece of evidence recently given by an English clergyman (Rev. C. W. Stubbs), also living in Buckinghamshire, who has a large amount of glebe lands, which he lets out to labourers in acre or half-acre allotments, and it is a noticeable fact that the land of the district being pretty good wheat land the labourers all grow wheat upon their allotments. They have been doing so for nine years, and Mr Stubbs has kept an accurate account of the produce they get, and although it is constantly asserted that it is impossible to grow wheat on a small scale, yet these allotments produce £4. 10s. more an acre than all the surrounding farms of Buckinghamshire. And what is more, he finds that the labourers' produce per acre is higher than that of the best scientific farmers in England ;

so that actually the poor labourer, working by himself on his own plot of land, can produce for us more wheat per acre than the most scientific farmer with all his skill.* Take these estimates together—£33 per acre, £14 per acre, and £4. 10s. per acre, and that gives an average of net gain to the country of £17 for every acre of land cultivated by poor men in small quantities compared with the same land cultivated by farmers in large quantities. Now just think what a gain that would be to the country if the people, instead of being driven from the rural districts for want of land, had been encouraged to remain and cultivate the land for themselves. I have calculated the average gain at £17 an acre. But if, to avoid any exaggeration, we lower this, and say only £10 per acre, and if we suppose that out of the fifty millions of acres of cultivable land—a considerable part of which is now going out of cultivation—only twenty millions of acres were cultivated by poor men in this minute and careful manner, and that they obtained £10 per acre of increased produce, that would give us £200,000,000 a year of extra wealth produced by poor men, and almost every penny of that £200,000,000 would be spent on the manufactures of the country.

Now that, in my opinion, indicates the method by which we are finally to get rid of this terrible depression of trade, which is still increasing and is likely to increase, because we have been hitherto falsely guided by the political economists and by the great manufacturers, the speculators, financiers, and others. We have always been led to believe that our one line of business was manufacturing, that we were to be the manufacturers of the world; and while we have been going on in this line, utterly neglecting agriculture and the land, forbidding people to use it,

* See "The Land and the Labourers," by Rev. C. W. Stubbs, 1884. Swan, Sonnenschein, & Co.

and driving them out of it in order to increase the men that manufacturers can employ, other nations have not been standing still, and are now competing with us in all the chief markets of the world.

There is a great deal of talk about finding fresh markets, but these would be open to all the competing countries, and would not make up for our increasing population ever requiring fresh outlets for work ; and therefore I maintain that the only real and substantial mode of getting rid of the depression of trade, is to utilise thoroughly that enormous store of wealth which exists in our neglected fields and our miserably cultivated soil.

SUMMARY OF THE ARGUMENT.

I will now briefly summarise the points I have brought before you. First of all, the enormous foreign loans led to an abnormal and unnatural increase of our trade, and then to a depression which was exaggerated and increased by the impoverishment of the people who had to pay the interest on these loans, and you must remember that they had to pay for millions which they never received, that never came into their country but were absorbed by the financiers in the cities,—they had to pay and are still paying all this with interest upon it ; then we have the enormous increase of speculation in our cities, favoured by every act of the legislature and by every custom of the country, and as the result we have the concentration of wealth into fewer and fewer hands, and consequently a proportionate diminution of wealth that ought to be in the hands of the people ; we have also the dreadful increase of war expenditure ; and lastly, the evils directly produced by the system of landlordism in this country,—a system which gives a comparatively small body of men power to determine whether the land shall be used or abused, well cul-

tivated or producing less than half of what it ought to produce and will produce,—a system which drives the people away from the country into the towns, and turns into paupers men who would, if they were permitted freely to use the land on fair terms, produce an enormous increase of food, the prime necessity of a nation's existence, and by their prosperity cause such a demand for our manufactures as we have never known in this country before. All this evil is caused, and all this good prevented, by the direct or indirect action of landlords under our vicious land system. I maintain, therefore, that these are the real fundamental causes of the depression of trade, because every one of them, as I have shewn, tends directly to the impoverishment of the great masses of the people, who are our best customers. Every one of them can be shewn either to have begun about the period when the depression shewed itself, or to have become greatly intensified about that period, and therefore as a whole they have worked together to produce this enormous and long-continued and increasing depression of trade.

REMEDIES FOR THE DEPRESSION OF TRADE.

The remedies, of course, are some of them difficult, some of them comparatively easy. If you see and understand what I have endeavoured to make you see, that anything like a system of foreign loans bolstered up by the Government of this country is radically bad and immoral, then you ought to urge upon your representatives that in no way whatever should the Government lend its power or its influence to compel the oppressed populations to pay these loans or the interest upon them. Another step will be to stop all aggressive war on any pretence whatever. I consider in the present state of the world that there is only one class of wars that are justifiable or will be justifiable for us, and that will be

a war to help a weak when oppressed by a stronger power. It is a singular thing that this is the only kind of war likely to do us good even in our trade, for it would protect for us our customers as well as bind them to us by the bonds of gratitude ; but it is the kind of war that we never in any circumstances have undertaken. Then, again, if we see clearly and distinctly that whatever facilitates the growth of abnormal wealth in the few is bad for the rest of the community, we certainly should favour all those steps which would render it more difficult to accumulate such wealth. It would take too much time now to go into all the measures which I think would be advisable for that purpose. One thing, however, would be certainly advantageous, though I am afraid it will never be done, and that would be to repeal the Limited Liability Act. I believe this Limited Liability Act has been a greater curse to the country than any Act of Parliament ever passed, because it as much as says with the authority and voice of the Government to the people,—You may enjoy the benefit and all the advantages of commercial prosperity by simply subscribing your money towards these companies. How can the people at large to know which are good and which are bad? The mere fact that such an act was passed was an invitation to the people of the country. They accepted the invitation, and for each one who has benefited by doing so a score have suffered.

The last thing, and perhaps the most important of all, is to abolish the monopoly of land in this country. I believe no half measures will do any good here. The only thing will be to declare by law that the whole of the land shall revert to the state for the benefit of the people, but that no individual so far as is possible shall suffer any loss during his lifetime or during the lifetime of any of those who have reasonable expectations from him. If that were done no landowner would have a right to complain. He

would receive an income probably as great as he has now for the rest of his lifetime and for the lives of all his children, while the nation would have the use of the land and apply it for the benefit of the whole community, and thus lead to the production of an amount of wealth probably two or three times greater than is now derived from it. This increased wealth would be earned by men who are now poor or pauperised ; and as it would almost all be spent in home manufactures, it would in the most direct and speedy manner restore the prosperity of the country and abolish the Depression of Trade.

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Wallace, Alfred Russel
The depression of trade

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