

445. Scaling Down Debts.—In all free governments, or governments much subject to popular impulses, a second danger of over-issue arises from the appetite which is engendered in the masses of the people for further emissions for the purpose of scaling down debts, "making trade good," and enabling works of construction and extensive public improvements to be undertaken, for which taxation could not easily provide the means.

The intrusion of the debtor class into the legislature with their impudent demands for issues to scale down debts is a familiar spectacle. Even the sterling virtue of early New England did not save those primitive communities from the fiercest impulses of political dishonesty, when once the paper money passion had been aroused. "Parties," says the historian Douglass, "were no longer Whigs and Tories, but creditors and debtors. Governors were elected and turned out as the different interests happened to prevail."

The same feature appeared early in the history of the French Revolutionary paper money. We have seen it in our own country during the present generation, an active, aggressive, vehement, virulent force, engendered by the desire of paying debts, wiping off scores, raising mortgages, in depreciated money.

Paying debts is always a disagreeable necessity. For one man who would steal to acquire property, in the first instance, a score will do that which is no better than stealing, in order to retain property which has passed into their hands and which they have come to look upon as theirs, though not paid for.

It is the view of not a few sound economists* that a grad-

* Thus M. Chevalier says: "Such a change will benefit those who live by current labor: it will injure those who live upon the fruits of past labor, whether their fathers' or their own. In this it will work in the same direction with most of the developments which are brought about by that great law of civilization to which we give the noble name of progress."

And Mr. J. R. McCulloch declares that "though, like a fall of rain after a long course of dry weather, it may be prejudicial to certain classes, it

ually progressive depreciation of metallic money, from age to age, might be advantageous to society as a whole, both relieving industry in some measure from the weight of burdens derived from the past, and giving a certain fillip to industrial enterprise.

But here the injury to the creditor class is not the work of man, but of God; like the death of a miserly bad man which brings his wealth into the hands of a generous, philanthropic, public-spirited heir, at which change of ownership men may properly rejoice. But had the heir procured the death of the miser, the aspect of the case would have been entirely different. No plea of public spirit or benevolence in the disposition of the wealth could compensate society for that deep and damning wrong.

A reduction in the burden of obligations, accomplished by the act of a legislature, in the issue of paper for the purpose of enabling the debtor to pay in a depreciated money, has no virtue in it to promote industry or encourage enterprise. It carries with it the sting of injustice and fraud. It draws after it retributive agencies which curse the people and the age. Having reference exclusively to economic interests, we may confidently say that the man who advocates the scaling down of debts, for the sake of encouraging trade and production, shows himself so ignorant of history as to be a wholly unfit adviser as to the present and the future.

IV.

PAUPERISM.

446. The Impotent vs. the Able-Bodied Poor.—The relief of the impotent poor, whether by private or by public charity, is, so far as political economy is concerned with it, a question relating to the consumption of wealth. It is so much a matter of course, under our modern civilization, that the very young and the very old, the crippled and deformed,

is beneficial to an incomparably greater number, including all who are actively engaged in industrial pursuits, and is, speaking generally, of great public or national advantage."

who are unable to earn their own maintenance, shall not be allowed to starve, that the matter of relief to these classes becomes one of administrative detail, that does not require even to be alluded to in an elementary treatise on economics. The experience of that country from which we derive our law and much of our administrative machinery, is, however, so instructive as to the influence for mischief upon the entire laboring population and upon the future production of wealth, that may be wrought by ill considered provisions for the distribution of alms to the able-bodied poor, as to make it worth while briefly to recite that experience here; and thereupon to define the limits outside which the consumption of wealth for this purpose becomes prejudicial.

We shall get at our subject most directly by inquiring, why is it that the laborer works at all. Clearly that he may eat. If he may eat without it, he will not work. The neglect or contempt of this very obvious truth by the British Parliament, during the latter part of the eighteenth and the early part of the nineteenth century, brought the working classes of the kingdom almost to the verge of ruin, created a vast body of hopeless and hereditary pauperism, and engendered vices in the industrial system which have been productive of evil down to the present day.

447. Establishment of the English Pauper System.—By statute of the 27th year of Henry VIII., the giving of alms was prohibited, and collections for the impotent poor were required to be made in each parish. By 1st Edward VI., bishops were authorized to proceed at law against persons who should refuse to contribute for this purpose, or should dissuade others from contributing. By 5th Elizabeth, Justices of the Peace were made judges of what constituted a reasonable contribution. By 14th Elizabeth, regular compulsory contributions were exacted. But the act of 43d Elizabeth created the permanent pauper system of England.

The increasing necessity for legal provisions for the poor, during the period covered by this recital, is attributed by judicious writers, first, to the destruction of the abbeys and monasteries, which had, in earlier times, disbursed vast rev-

enues in charity; and, secondly, to the effects of the flood of new silver from the mines of Spanish America, which, by rapidly raising prices and thus reducing the purchasing power of fixed incomes, had caused large numbers to be thrown out of employment.

By the act of 43d Elizabeth, every person in the kingdom was given a legal right to public relief, if required; but voluntary pauperism was severely dealt with, and the able-bodied were compelled to work. At first, the body of inhabitants were to be taxed for the objects of this statute; but subsequent legislation threw the burden entirely upon the landowners, where it remains to this day, with the exception that partial grants are now made out of the Imperial revenues to meet the charges of maintaining certain classes of paupers, such as the insane.

448. Removal of the Workhouse Test.—The principle of requiring the able-bodied poor to work continued for generations to be fundamental in the English pauper system; and for the better enforcement of this requisition parishes or unions of parishes were, by an act of 9th George I., authorized to build workhouses, residence in which might be made a condition of relief. Moreover, from the days of Elizabeth to that of George III., the spirit which actuated the administration of the poor laws was jealous and severe. Doubtless in that administration unnecessary harshness was sometimes practiced; but, on the whole, the effect on the working classes was wholesome, for it was made undesirable to become a pauper.

On the accession of George III., a different theory came to direct legislation relating to poor relief, and a widely different temper of administration began to prevail. Six successive acts, passed in the first years of that reign, intimated the changed spirit in which pauperism was thereafter to be dealt with. In the 22nd year of George III., the act known as Gilbert's act gave a fuller expression to this spirit. By that act the workhouse was no longer to be used as a test of voluntary pauperism: the 29th section provided that "no person shall be sent to such poor-house except such as are become indigent by old age, sickness or infirmities, and are unable to acquire a

maintenance by their labor ; except such orphan children as shall be sent thither by order of the guardian or guardians of the poor, with the approbation of the visitor, and except such children as shall necessarily go with their mothers thither for sustenance."

With respect to the rest of the poor, the act by its 32d section provided "That where there shall be in any parish, township or place, any poor person or persons, who shall be able and willing to work but who can not get employment, the guardian of the poor of such parish, etc., on application made to him by or on behalf of such poor person, is required to agree for the labor of such poor person or persons at any work or employment suited to his or her strength and capacity, in any parish or place near the place of his or her residence, and to maintain, or cause such person or persons to be properly maintained, lodged and provided for, until such employment shall be procured, and during the time of such work, and to *receive the money to be earned by such work or labor, and apply it in such maintenance as far as the same will go, and make up the deficiency, if any.*"

By the repeal of the workhouse test, and by the additional most injudicious provision which we have placed in italics, a deadly blow was struck at the manhood and industrial self-sufficiency of the working classes of England.

449. "The act," says Sir George Nicholls, in his History of the English Poor Law, "appears to assume that there can never be a lack of profitable employment, and it makes the guardian of the parish answerable for finding it near the laborer's own residence, where, if it existed at all, the laborer might surely, by due diligence, find it himself. But why, it may be asked, should he use such diligence when the guardian is bound to find it for him, and take the whole responsibility of bargaining for wages and making up to him all deficiency? He is certain of employment. He is certain of receiving, either from the parish or his employer, sufficient for the maintenance of himself and his family ; and if he earns a surplus, he is certain of its being paid over to him. There may be uncertainty with others, and in other occupations. The farmer, the lawyer,

the merchant, the manufacturer, however industrious and observant, may labor under uncertainties in their several callings ; not so the laborer. He bears, as it were, a charmed life in this respect, and is made secure, and that, too, without the exercise of care or forethought. Could a more certain way be devised for lowering character, destroying self-reliance, and discouraging, if not absolutely preventing, improvement?"

450. *The Logical Outcome.*—By 1832 the false and vicious principle on which Gilbert's act was based had been carried logically out to its limits in almost universal pauperism. The condition of the person who threw himself flat upon public charity was better than that of the laborer who struggled on to preserve his manhood in self-support. The commissioners appointed in that year to investigate the workings of the poor law, found that, where the independent laborer was able to earn by his week's work but 122 ounces of solid food, the pauper had 151 ounces given him in idleness. The former had only to abandon his effort to provide for himself, to be better provided for than was possible through his own exertions. The drone was better clothed, better lodged and better fed than the worker.

All the incidents of this bad system were unnecessarily bad. The allowance for each additional child was so much out of proportion to the allowance for adults, that the more numerous a man's children the better his condition, and thus the rapid increase of an already pauperized population was encouraged. Moreover, the allowance in the case of illegitimate children was even greater than for those born in wedlock. The British Parliament had turned itself into a society for the promotion of vice. "The English law," said Commissioner Cowell, in his report, "has abolished female chastity." "In many rural districts," writes Miss Martineau in her History of the Peace, "it was scarcely possible to meet a young woman who was respectable, so tempting was the parish allowance for infants in a time of great pressure." "It may safely be affirmed," said the Poor Law Commissioners of 1831, "that the virtue of female chastity does not exist among the lower orders of England, except to a certain degree among domestic

servants, who know that they hold their situations by that tenure and are more prudent in consequence."

SUCH MAY BE THE EFFECTS OF FOOLISH LAWS. THE LEGISLATOR MAY THINK IT HARD THAT HIS POWER FOR GOOD IS SO CLOSELY RESTRICTED; BUT HE HAS NO REASON TO COMPLAIN OF ANY LIMITS UPON HIS POWER FOR EVIL. ON THE CONTRARY, IT WOULD SEEM THAT THERE IS NO RACE OF MEN, WHOM A FEW LAWS RESPECTING INDUSTRY, TRADE AND FINANCE, PASSED BY COUNTRY SQUIRES OR LABOR DEMAGOGUES, IN DEFIANCE OF ECONOMIC PRINCIPLES, COULD NOT IN HALF A GENERATION TRANSFORM INTO BEASTS.

451. Poor Law Reform.—We have seen what a system the English squirearchy substituted for the economic law that he that would eat must work. The natural effects of this system were wrought speedily and effectually. The disposition to labor was cut up by the roots; all restraints upon increase of population disappeared under a premium upon births; self-respect and social decency vanished before a money-premium on bastardy. The amount expended in the relief and maintenance of the poor rose to enormous and even ruinous sums. In some instances landowners relinquished their estates in order to escape the monstrous rates levied upon them, in support of local paupers.

In this exigency, which, in truth, constituted one of the gravest crises of English history, Parliament, by the Poor Law Amendment Act (4th and 5th, William IV.) returned to the principle of the act of Elizabeth. The workhouse test was restored; allowances in aid of wages were abolished; paid overseers were appointed, and a central system was created for the due supervision of the system. Illegitimacy was discouraged by punishing the father, instead of rewarding the mother; and the law of pauper settlement* was modified so as to facilitate the migration of laborers in search of employment.

*The law of parochial settlement was enacted in the reign of Charles II. While other restrictions upon the movements of population gradually gave way, during the two centuries following, before the expansion of industrial enterprise and the liberalizing tendencies of modern

By this great legislative reform the burden of pauperism, in spite of the continuing effects of the old evil system, was reduced in three years, by an average amount, the kingdom over, of forty-five per cent.

452. The Principle that Should Govern Poor Relief.—

The moral of this episode in the industrial history of England is easily drawn. It is of the highest consequence that pauperism shall not be made inviting; that, on the contrary, the laborer shall be stimulated to the utmost possible exertions to achieve self-support, only accepting relief as an alternative to actual starvation. It is not, to this end, necessary that any brutality of administration shall deter the worthy poor who have no other recourse; but, it should be the prime object of legislation to make the situation of the pauper less agreeable than that of the independent laborer, and that, by no small interval. The workhouse test for all the able-bodied poor, and genuine hard work, up to the limit of strength, are imperatively demanded by the interests of productive labor. Wherever there is a possible choice between self-support and public support, the inclination to labor for one's own subsistence should be quickened by something of a penalty upon the pauper condition, though not in the way of cruelty or positive privation. "All," says Mr. Geo. W. Hastings, "who have administered the Poor Law must know the fatal readiness with which those hovering on the brink of pauperism believe that they can not earn a living, and the marvelous way in which, if the test be firmly applied, the means of subsistence will be found somehow."

thought, the mischievous tendencies of the Law of Settlement were given a wider scope and an increased severity, from reign to reign. Migration within the Kingdom was practically prohibited. If the laborer, in search of employment crossed the boundaries of that one of the fifteen thousand parishes of England in which he belonged, he was liable to be apprehended and returned to the place of his settlement. Parish officers were perpetually incited by the fears of the rate-payers to the utmost zeal in hunting down and running out all possible claimants for public charity, on whom, if unmolested, residence would confer a right to support. "Where," says Prof. Rogers, "an employer wished to engage a servant