

METHODS
OF
SOCIAL REFORM

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ESSAYS CRITICAL AND CONSTRUCTIVE

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PREFACE.



THE author desires to thank the proprietors of the various Reviews who have kindly given their consent to the republication of several of the articles reprinted in the following collection. He also wishes to express his gratitude to the numerous friends who, from time to time, have supplied him with information with regard to the local administration of the Poor Law.

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INTRODUCTION.

THE "State of the Poor" has now established itself as a permanent controversy, and, before long, it may be thrust into the fore-front of practical politics. This consideration will, it is hoped, warrant the author in his desire to reissue, at the present time, and in book form, a selection from the contributions which he has made, during the last few years, to this vexed and important inquiry. Some of the papers contained in this volume were originally delivered as addresses at Poor Law Conferences, or at gatherings of a kindred nature. Others have been reprinted from the reviews in which they originally appeared. The paper on *Poor Law Reform* and that on *Free versus Collective Bargaining* are now printed for the first time.

The choice of articles for inclusion in the

present volume, has been made with a view of illustrating two aspects of the problem which appear to the author to be of super-eminent importance. On the one hand, the absolute harmfulness of the collectivist principle, which lies at the root of our English poor law system, is strongly maintained. It is argued that the countenance given, by persons in exalted station, to proposals for its wider application, is seriously and mischievously diverting the attention of the poorer classes of the country from truer methods of progress. These proposals, which it is not here necessary to specify more particularly, amount in the aggregate to a policy of using taxation not as a means of providing for the public services, but as an instrument for redistributing property. On the other hand, it is the purpose of these pages to express a belief in the existence and possibility of those truer methods of progress, which consist in developing, on voluntary lines, the natural constructive forces of a free society. Briefly, the first portion of the volume is critical and destructive; the second endeavours to indicate and explain, by means of concrete illustration, the nature of the true constructive elements of civilised society.

The paper on *Poor Law Reform* deals in a practical spirit with the present administration of the law. Though firmly convinced of the futility

of any compromise of principle, the author is prepared to admit that the drastic remedies, which in his judgment are necessary if we hope for any large reformation, must be applied gradually, and in such manner as to carry with it the approval of public opinion. The only contribution which the author can make to this desirable end is to put on record his experience and conclusions without any attempt at compromise. For, whatever may be the case with regard to the application of sound principles, with regard to their enunciation, there is no room for compromise. The articles which follow on *The Poor Law as an obstacle to Thrift*, *The Interest of the Working Classes in the Poor Law*, *Old Age Pensions and the State*, contain, for the most part, negative criticism. The article on *The Abuse of Statistics* deals with certain statistical fallacies by which the view here maintained has been assailed ; while that on *The Co-operation of Charitable Agencies with the Poor Law* develops at somewhat greater length one of the methods of administrative reform which has been found most efficacious in bringing about a reduction of pauperism.

The articles on *People's Banks* and on *Free versus Collective Bargaining* lead the reader into a more hopeful atmosphere. The first directs attention to a most successful experiment in promoting a wider distribution of private property

by the methods of acquisition and tenure recognised as legal by the consent of civilised society. This is contrasted with attempts to transfer property from one class to another by legislation and taxation, the pastime which occupies so much of the energies of political adventurers of all parties. It is argued that until our national enthusiasm can be diverted from the superstitious reverence with which their proceedings are followed, and our interest roused in favour of voluntary and constructive methods, our efforts after social reform must be cursed with sterility; indeed, such progress as the country is permitted to make will be made in spite of the empirical strivings of delegates representing greedy and aggressive majorities, animated by all the anti-social and retrograde instincts by which humanity is still influenced.

The last paper in the volume is designed to show that freedom of exchange, and not coercive combination, is the best and most beneficent guarantee for the continuous advance of labour in the social scale. A denial of this proposition seems to involve a fallacy which, in the author's judgment, is most unwarranted as well as most mischievous. Interference with freedom of exchange in the sphere of labour, whether brought about by legal, or extra-legal, but still coercive regulation, ignores an elementary truth in economics;

viz. that voluntary exchange brings a profit to both parties. *Ex hypothesi*, at the point of time when the bargain is effected, both parties are agreed that an exchange shall take place, and in the case of adult citizens, it is difficult to understand why they should be deprived of their liberty to act on what they conceive to be their own interest.

It is not denied that classes, at different times in the world's history, have been so depressed that the momentary advantage, derived from a free exchange, still leaves them in a miserable and unsatisfactory condition. Nay, further, it may be conceded that there are occasions when the poverty and degradation of a section of the community may warrant the confiscation and redistribution of property, in other words, a revolution; but, even in this case, the subsequent redistribution has to be effected by means of the recognised tenures. The property which belonged to A may be taken from him and given to B, C, and D, but when this necessary or inevitable injustice is done, the right to hold or to sell emerges again as the only possible tenure by which men can satisfy their wish to profit by that sub-division of industrial energy which is the distinguishing feature of modern civilisation.

Most reasonable men will agree that in a normal state of society there is enough of equity and of happiness to warrant a resistance to revolution.

It then remains that, in a society which would avail itself of the advantages arising from a subdivision of labour, exchange is the only orderly process by which profit and wealth can be created and distributed. The reason that a man—or a class—can only secure what appears a poor rate of exchange for his services and property is, that he has nothing, in the opinion of his fellow men, of much value to offer. His services, such as they are, can only be converted to more valuable purpose, by allowing him to pursue freely the exchanges that are open to him. The mutual principle of exchange will lead him, in pursuit of his own interest, to seek better remunerated work. This, together with the willingness and ability of his neighbours to reward one industry better than another, provides a guarantee that, in the long run, and in proportion as the impediments to this distributing influence are removed, each unit of labour will be carried to the point or market where it can be employed most profitably to itself, and to the community at large. This automatic, natural, or voluntary principle of adjustment is no quick working panacea ; we may deplore the tarrying of the millennium, but we can find no surer or better guide ; all we can do is to clear away the impediments which stand in its path, and to preserve an unfaltering faith in the true beneficence of the reign of freedom.

The country has lately gone through the throes of a general election, and a party has been returned to power pledged to devote itself to what it vaguely terms social reform. This verdict of the constituencies has been interpreted as marking the intensity of the national wish to legislate about our social arrangements. Elsewhere, and probably more truly, the result of the late election has been imputed to popular disgust with a government whose social legislation, dictated by the noisiest, most mischievous, and at the same time least influential of its supporters has harassed and alarmed every respectable section of the community. There is some truth in both representations. The victory of the Conservative party has been gained, on the one hand, by promises of a wild and impracticable policy of state socialism, and, on the other hand, by the vote of those who support a party which, as they think, cannot, fortunately for the welfare of the country, do much to redeem these pledges.

It is not an altogether satisfactory situation. The desire for social improvement is very intense and very sincere, but it is quite another thing to admit that social reform, in any real sense of the term, can be promoted by legislative action. To take property from A and give it to B, C, and D, in order that they may buy old age pensions, or freehold houses, is a revolutionary

proceeding, and no permanent and satisfactory superstructure can be built on such a foundation. Speaking at Doncaster on the 20th of July, 1895, Mr. Balfour very justly remarked (*Standard*, July 22, 1895):—

“It was as impossible for us to live upon perpetual political revolutions as it was for an individual to obtain a wholesome diet upon pills. The Gladstonian Party seemed to think that a passionate love of Constitutional change was the great characteristic of Democracies. Nothing of the kind. All history was against that view, and probably the most vehemently Conservative population in the whole universe was the American Republic, where change was not desired, and where, if it was desired, it would be almost impossible under the multitudinous safeguards which their Constitution provided. The Anglo-Saxon race did not differ in that respect on the two sides of the Atlantic. As a Conservative people we must ever in the end oppose senseless and stupid revolutionary projects, forced forward by no national necessity, required by no social growth, and not called for by any real pressing need of the time. Such revolutionary proposals would from time to time be the expedient of the demagogue.”

The English constitution is very well in its way, but there are elementary social truths of more transcendent importance. A social difficulty is not overcome, when it is solved by some coercive act of the legislature. If by an act of the constitution, poverty is given the right to endow itself at the expense of property, a

revolutionary attack is aimed at an order of things far more fundamental and far more important than any political constitution.

The problems which these revolutionary proposals are intended to solve, will not be abandoned as insoluble, except by those who are inappreciative of the history of the past, and unduly sceptical of the possibilities of human progress in the future. The ever-recurring conflicts of interest—such as that which arises between the rich and the poor—can be solved by action which is at once mutual and voluntary. In the sphere of economics the most salient manifestation of this co-ordinating spirit of conciliation is to be found in the principle of exchange. In every exchange both parties profit. The law of the market, which is for ever driving commodities to a lower range of prices, is at the same time distributing and directing labour to more useful and, therefore, to it, better remunerated purposes. This is a fact attested by history and theory alike. Of the spontaneity of this natural order of progress, freedom is the guardian.

The moral of this would seem to be obvious. Social reform is the ardent aspiration of all men. Yet, alas! the highest intellect of the land, the most vehement enthusiasm of all but a small minority, a vast amount of time and of treasure are expended in hunting solutions that are no

solutions, but rather aggravations of our difficulties. A tenth part of a tithe of this spirit of devotion directed to voluntary methods of reform, accompanied by a recognition that this was the true path of progress, would do more to bring about the object of our desire than the legislation of centuries.

No one, who has not learnt it by personal experience and observation, can form any conception of the harm that is done to the best interests of the poor by the illusory electioneering promises which are thrown out so profusely by ambitious political adventurers. The dead weight of dependent inertia is thereby rendered heavier and more impervious to the inspiriting and quickening influence of the arts of independence and progress.

There are sections of our poorer classes, where the feeling of personal responsibility has been legislated and "electioneered" out of existence. This spirit of dependence has to be exorcised, possibly by the repeal of some legislation, but mainly by the successful development of the salutary instincts inherent in every free society.

Those who claim to lead and teach the people must endeavour to divert men's minds from seeking profit in the coercive or legislative spoliation of their neighbours, and persuade them rather to improve the value of their own services, and the services of their children, by following and

interpreting the market ; to retain and invest some portion of their earnings, to make use, in other words, of the necessary institution of private property as a protection against sickness, old age, and all the other economic ills to which flesh is heir. At every step in this process, voluntary effort is urgently required, not only from the poor themselves, but from the well-to-do who sympathise with them in their sufferings. The better administration of the poor law is largely dependent on the right development of voluntary charity. The better organisation of opportunities and inducements to save and invest, is an enterprise most urgently demanding the assistance of volunteers. The absolute failure of the Post-Office as an insurance agency, its comparative success, in spite of the unpopularity of aggravating official regulations, as a savings bank, performing moreover only a portion of the beneficent functions of a banker, suggest that there are vast fields of usefulness open to voluntary effort in connection with the thrift institutions of the labouring class.

The man who devotes himself to a political life derives, it may be hoped, some entertainment from his calling ; if he is successful in obstructing or repealing legislation he may haply do some good, but the politician with his programme of constructive legislation is a pure source of calamity to the nation at large. This is a proposition which

probably no one, unless himself actually engaged in politics, will seriously deny; our superstitious belief in the efficacy of politics is not due to conviction, but arises from pure idleness and disregard of the vast promise of reform which lies ready to be gathered by voluntary action. There are signs now that the nation is getting tired of the spectacle of political adventurers climbing to notoriety by playing experiments with the foundations of society. Lord Melbourne was probably right when he summed up his experience in the remark that mankind was not corrupt, but "damnably vain." These schemes of social reform by means of legislation are well meant, but to the increasing circle of those who take a scientific view of the fact that society grows naturally and is not made by spasmodic efforts of legislation, it is clear that their projectors are imagining a vain thing.

One last prefatory explanation seems desirable. There are those who, with some justice, are disposed to regard philanthropy as to some extent an unwholesome virtue. It is undoubtedly a dangerous calling for any man to take up, and in many cases it has a most mischievous effect upon the subjects of his experiments. In philanthropy, as in other virtues and vices, there are degrees of depravity. The man who "does his diligence," at his own charges, even if his action

does not always show much respect for the higher possibilities of human nature, compels our respect. The vicarious philanthropist who, in a reckless race after a cheap popularity, uses the rate extorted from his neighbours to multiply the occasions of stumbling set before the helpless, miserable crowd who are only too ready to fall into dependence, is surely a very despicable creature.

This truth, and, in large measure, it is a truth, has never for long been absent from the mind of the author of these pages. The reader, it is requested, will observe that the methods of reform here advocated will reduce the necessity of philanthropic patronage to a minimum. Reform consists in a re-creation and development of the arts of independence. The plea, in fine, is not for more philanthropy, but rather for more respect for the dignity of human life, and more faith in its ability to work out its own salvation.

Lest the phrase, "the arts of independence," appear vague to the reader, it may not be unfitting in the close of this introductory chapter to explain more fully the meaning which the author attaches to it, and the place which it fills in his theory of society. The social creed, which underlies the view upheld in this volume, may be summed up in the proposition that human happiness and the right ordering of society have depended and still

depend, in the main, on a recognition and acceptance of the doctrine of personal responsibility. All the constructive forces, which build up and then hold together the framework of society, take their rise and afterwards draw their life from this source. The personal motive, the executive element, if the phrase may be allowed, of a personally responsible unit, is, in this theory of life, sufficient to account for the purely automatic act of self-preservation, and also, and with equal naturalness, for the superior cogency of the social law which urges men to acts of self-abnegation and heroism. In other words, the personally responsible human being, left face to face with the experience of life, is prompted to action by motives of self-preservation, but, over and above this, the mutuality of the social life, in which he has of necessity become a part, suggests to him naturally, and with an insistence not to be denied, that course of social action which men call moral.

In the economic sphere of man's action, this truth, as to the mutuality of social life, is brought prominently forward in the theory which represents every economic action as a form of exchange. In this connection, speaking as an amateur, whose interests only fringe on the science of political economy, the author desires to express his great indebtedness to the writings of Mr. H. Dunning

MacLeod. By insisting that the phenomena of exchange are the sole subject matter of the science of economics, and that as a preliminary to their discussion, our so-called economic actions must be analysed and shown to be modes or forms of exchange, Mr. MacLeod has, in the opinion of the writer, introduced scientific order into a subject which otherwise is apt to degenerate into misty disquisitions on the nature of things in general.

Exchange is merely one manifestation of man's natural capacity for apprehending and shaping his conduct in accordance with the necessary mutuality of his environment. Its action has raised about us the material fabric of industrial society. Darwin has told us how it was the speculations of Malthus on the subject of population that supplied him with the first hint of his own famous hypothesis. In this instance the debt of the naturalist to the economist has been duly acknowledged. In a similar way, from a survey of the mere material growth of industrial society and from observation of the organising influence of exchange, we may derive an item of contributory proof for the hypothesis of a natural origin of ethics and for the opinion that ethical sentiment is a natural growth; further, the same line of argument will suggest that it is unnecessary and unphilosophical to invent the hypothesis of a dual origin, in one part rational,

in another ultra-rational. This reasoning does not depend on any particular theory of knowledge, nor does it preclude that effort of faith which derives the observed order of the evolution of nature from an initial act of miraculous creation. It assumes, what cannot be denied, the mere fact of personal consciousness. That granted, it is alleged that there is no break either historically or theoretically in the evolution of human activities from the automatic movement of self-preservation to the most carefully calculated action which we describe as moral or immoral. Social or moral sentiment has been dictated to us by the experience of the individuals who compose the race. Personal experience, issuing in personal action, has rejected the impossible creed that the units of society are warring atoms,¹ and has bound men together in the bonds of a recognised brotherhood.

In other words, personal responsibility is the automatic principle which has brought society thus far upon its journey, and there is no reason why we should seek to make it abdicate its

¹ This view, as far as the author can discover, is a figment imagined for rhetorical purposes by socialist writers, and imputed by them to their opponents, whom they have most inappropriately nicknamed individualists. Thus Dr. Westcott, Bishop of Durham, in a paper read at the Church Congress in Hull in 1890, says: "Individualism regards humanity as made up of disconnected or warring atoms," an absurd opinion held, as far as the author is aware, by no sane person, and of course easily susceptible of rhetorical condemnation.

authority for such voyage as lies before us in the future.

As necessary corollaries from this truth, several important and constructive principles seem at once to emerge. Personal responsibility necessitates personal action. The mutuality of life insists that our actions, in so far as they affect others, shall be by way of exchange; the principle which should govern the limitation of personal freedom is thus at once suggested. The necessity to act or to live, limited as above stated, involves the necessity of exchanging services, and the earnings or wages of services. The necessity of exchanging services involves the principle of personal freedom. The exchange of the earnings of services necessitates the institution of private property. The term "necessity" is here advisedly substituted for the term "right." It is more accurate both historically and philosophically. Thus the institution of private property does not rest on any metaphysical or empirical basis of "right," but on the fact that the experience of civilised society has everywhere recognised it as the sole or necessary alternative to an insupportable system of universal scramble. Communism, involving a community of property, is a mere postponement of the period of appropriation, a mere variation of the principle of division. Products, whether they be food, clothing, or shelter, must ultimately be personally

appropriated. Every man has private property in his own dinner and his own coat. Under the present rule of private property, these things come to a man as the result of exchange—for the right of gift and bequest is involved in the larger right of exchange—conducted according to the recognised jurisprudence of the land. Under communism they would come to him, because they were awarded to him by the bureaucracy, and under anarchy, if such a thing were conceivable,¹ they would come to him as the spoil of a struggle like that of “the mammoths in their prime.”

Private property is sometimes described as an evil; it would be more correct to say that the limitation of supply, which renders it necessary, is an evil. Private property is a remedial measure forced upon mankind by the niggardliness of nature, which has limited supply. The problem is: How is this evil of limitation to be mitigated? If not by means of a course of action in which the institution of private property is the first step, by what other means?

Again, let us appeal to the verdict of the civilised world. The answer up to a certain point is clear. We cannot scramble for the good things of this

¹ The qualification in the text is inserted, because, it is submitted, a state of anarchy, in which voluntary observance of rule has ceased to exist, is inconceivable. Some new term is required for the philosopher's ideal of an anarchy distinguished by a rigid but *voluntary* observance of the dictates of morality and justice.

life ; we must recognise the necessity of orderly appropriation. When we pass beyond this axiomatic truth, opinion and practice become less uniform. The bureaucratic theory of life still holds, in an undefined or uncertain form. The right of taxation is tacitly assumed to reside in the sovereign power, and there are sections of the community who desire to use taxation not as a means of raising money for various necessary public services, but as a method of distributing property and the advantages of property on what seems to the governing class a more equitable principle. In view of the theory maintained in these pages, such a method runs altogether counter to the natural constructive forces of our social life. Devices (such as a poor law, especially a poor law which goes beyond providing relief of destitution), designed to render personal appropriation unnecessary, are destructive of the organic principle of progress. As above stated, orderly personal appropriation is the first remedial step. It is a retrograde step to reverse this process and to make personal property a matter depending on the caprice of the legislature. If, as seems unfortunately too probable, a tyrannical public authority is to claim a right of ownership over the private property of the individual, and to use its power not for maintaining the public services, but for redistributing wealth, a serious blow is aimed

at a fundamental principle of civilisation. Hitherto governments, monarchical and oligarchical, and therefore weak, have, because of their weakness, used their power of taxation sparingly. Their malversations amounted to jobbery, but not to revolution. A strong democratic government, animated by the prevalent spirit of philanthropic rapine, and officered, as seems inevitable, by wild-cat politicians of all parties, is a more serious danger. The necessity of curbing the power of the State over the purses of its subjects is a problem to which the nation before long will have to give serious attention.

State-socialism, it is affirmed, is a retrograde step. What, then, is the legitimate course of development? Property is in its essence monopoly, and as such is only a first step towards a remedy. Each monopoly or ownership of exchangeable property is of course limited to that property; but the wants of the monopolist are by no means satisfied. He is impelled to increase the numbers of objects over which he can exercise monopoly, not for his own consumption, but for purposes of exchange. Monopoly is thus rendered innocuous, because it is tempered by the necessity of the monopolist to exchange. There lies, then, on every man a natural necessity to own his own person, to appropriate his own earnings, and to exchange his own services and commodities; and

the evil of primitive poverty will by this process be mitigated through the multiplication of property or monopoly in many hands, and through the principle of free exchange. By this means, and by this means only, can we reach the true socialisation of wealth.

Such, then, according to the theory here presented, are the constructive elements to which mankind must look for a better organisation of society, and it will follow that no system of public relief, however well ordered, has been, or ever can be, a healthy constructive force.

As an apology for this dogmatic presentment of his own view as to the origin of ethics and of society, the author may be permitted to remark that it is intruded here for the purpose of showing that the opinions set forth in the following pages are, as he believes, part of a reasoned theory of society, and, further, that he does not shrink from the logical conclusions which seem to follow from the premisses, but that, on the contrary, finding these larger conclusions reasonable and natural, he is the more firmly convinced of the justice of the view gathered in the narrower field of observation, in which he has been especially interested.