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I.—*The Limits of State Interference with the Distribution of Wealth, in applying Taxation to the assistance of the Public.* By the Right Hon. Mountifort Longfield, LL D.

[Read Tuesday, 23rd April, 1872]

THE science of political economy teaches the laws which regulate the creation, accumulation, and distribution of wealth. It has been fully proved that as soon as society arrives at a very moderate degree of civilization, the state can give very little assistance to the creation of wealth. It may even be said that its interference, in general, although with the best intentions, has been absolutely mischievous. More especially that interference which, by an abuse of the word, is sometimes called protection, has constantly defeated its own object. True protection, and lawful liberty, are inseparably connected, and now, at least in most parts of the United Kingdom, it is well understood that every individual ought to be permitted to select for himself what line of industry he thinks proper, and to buy and sell at such places, times, and manner as he considers most for his own interests. In doing this, due regard must be had for the rights of others; but it is not to be reckoned among those rights, that any man should be compelled to deal with me unless he thinks that dealing will be advantageous to himself. I have no right to prevent him from buying his shoes wherever he can get them best and cheapest, merely because I have several pairs which I wish him to buy from me, although I require a higher price for an inferior quality. This interference is frequently asked for under the name of protection. It is protection from competition, and the fallacies of the arguments by which this interference has been defended have been frequently and clearly exposed.

But the fallacies and sophistries, though refuted, have done much

mischief in this respect. Their complete refutation has occupied the time and thoughts of the students of political economy, and has thus prevented the advance of the science. Writer after writer feels constrained to expend his energies in the defence and exposition of the first principles of the science. With a few brilliant exceptions, works on subjects connected with political economy may be divided into two classes. First, those which are confined to the defence and elucidation of the first principles of the science, and, secondly, those which are written on advanced subjects by persons utterly unacquainted with those first principles. Hence, some points have been utterly neglected, or at least have never been discussed on scientific principles.

I purpose to call your attention to this important problem. How far may the state interfere in the distribution of wealth? Here we shall be liable to fall into grievous errors, if we do not examine the subject with the spirit proper to scientific investigation. There are two sides to every question, and in order to arrive at a just conclusion, we must take care not to ignore the arguments on either side. We must attribute to those arguments their due weight, and nothing more. When an objection occurs to any scheme, we are first to examine its validity, and next, if it is valid, we are to consider its weight, for it may be valid and yet not of sufficient weight to turn the balance against the proposal.

There may be a valid but not sufficient objection to what may be on the whole the wisest policy.

This consideration must never be lost sight of, more especially when we are discussing the subject which I venture to bring before you this evening, namely, what assistance the state ought to give to individuals? As the state has nothing of itself, it must take from one person or class, in the form of a tax, whatever it gives to any other person or class in the form of assistance. To every such proposal there is one just objection, that it tends to weaken the motives to industry, thrift, and self-denial. This may affect all classes. Those who contribute the means by paying a tax, are, or at least may be, thus deprived of part of the legitimate rewards of their industry, economy, and self-denial, while, on the other hand, those who expect assistance from the state to obtain benefits for themselves or their children which they have not earned, are to a certain extent, which may be considerable, deprived of the motives which stimulate or produce those virtues.

As far as the taxpayer is concerned, I don't think there is need for much caution. The disposition to accumulate depends more upon habit and temperament, than upon any calculations of reason. Its average strength in Great Britain is greater than is necessary, and can bear reduction without loss to the public. Were it not for the outlet afforded by foreign speculations, these islands could not find a profitable employment for the excess of capital that is created by a few years of peace.

There is more force in the second objection, that the assistance of the state tends to demoralize those who obtain relief. Men will not take much trouble to earn what they can get for nothing. This

argument, which undoubtedly is not without some weight, delayed the introduction of a poor law system into Ireland, and even now is the cause of its being encumbered with tests and regulations which deprive it of much of its utility. A large proportion of the expense is incurred by the administration which is employed to prevent frauds and abuses.

But it must be understood that every test, however successful for its object, must have this effect—that it discourages all exertion in those whom the test does not exclude from relief. Thus, if the value of the relief given to a family is calculated at four shillings a-week, if you can devise a test perfectly free from objection, and yet so perfect as to make it impossible for any family to obtain any relief, except to the extent to which its weekly income fell short of four shillings, the result would be, that all whose incomes did not much exceed that sum would have its motives to exertion destroyed or considerably impaired. The man who can earn just four shillings, or any lesser sum, is not better off than if he earned nothing. In his case the motive to exertion is entirely destroyed. The man who can earn six shillings is only two shillings better off than the man who earns nothing, and thus his motives to exertion are much impaired.

This must be the case with every efficient test, but in practice many other objections will be found. If the tests are very stringent, the administration of the poor law becomes inhuman. If it is lax it tends to infinite frauds and abuses. These considerations naturally lead to the inquiry, Is it possible in many cases to dispense with tests altogether, and to give assistance out of the public funds, without requiring a previous course of idleness or improvidence as a qualification? I shall first enquire what classes may receive assistance, and next what assistance may be freely given to all.

I shall begin with the case of old age. For every kind of bodily labour the old man is either absolutely unfit, or comparatively inefficient. His power of earning wages declines, and as a general rule the labourer or artizan on daily or weekly wages will not or cannot lay by a sufficient sum to secure a comfortable provision for his old age. But unless they save enough to make them independent of poor law relief, they might as well save nothing at all. Let the maintenance be worth four shillings a-week, and take the cases of two old men, one who has spent his wages or taken a holiday whenever he could, the other by greater industry and economy has secured for himself a provision of four shillings a week. The conditions of these two men in old age would be as different as their conduct had been in their days of strength, if the poor law did not interfere to place the two in the same condition. The man who has worked and saved will find that he has acted for the good of the union, not for himself. More probably, he will foresee this fate, and will not practise those painful virtues from which the law will not permit him to derive any benefit. I propose, therefore, that we should withdraw this bounty to improvidence, and as we cannot permit the improvident man to starve, we must remedy the injustice by giving equal relief to both. Every person who is supported

by any kind of bodily labor should receive a certain allowance when he is sixty years of age, and have that allowance increased when he has completed his seventieth year - say two shillings a-week when he is sixty, and four shillings when he is seventy. This allowance should be given in the nature of a good service pension, as a matter of right, and not in any manner dependent upon the poverty of the person receiving it. It would be unaccompanied by any sense of pauperism and degradation, and might be expected to have a useful economic effect. Many working men would save something for their old age, when they knew that their little income thus laid by would be an addition, not a substitution, for their allowance. I believe also that this desire in men to make some provision for their old age, when they were not discouraged from such providence by the poor laws, would engender such habits of thrift as to prevent much pauperism in the earlier stages of life, and in this way some compensation would be obtained for the expense incurred by giving pensions to those whom a rigid test would exclude from assistance from the poor laws.

I must not dwell at length on this part of my subject, as there are other matters which I cannot pass over. I must come to the cases of those who are disabled by natural or acquired infirmity. I commence with the deaf mute - much might be done for his education and some assistance might be given for his support. But here the duty is neglected by the state, and the deaf and dumb are only supported as paupers, and when they are paupers. Something is done for them by private benevolence, but institutions thus supported are altogether inadequate to meet the demands that are made upon them. Every deaf and dumb child should be entitled to an education at the public expense, and as part of the education cannot be well given in their homes, it will be necessary to support them during part of the time. In this case the assistance given cannot be an incentive to improvidence or fraud.

Blindness is another calamity, in which the state should give liberal relief in the form of a small annuity to every blind person; the expense would not be alarmingly great. I intended to produce some calculations that would show a limit to their amount, but I found that to give a satisfactory proof, my figures would run to a length quite unsuited for an evening entertainment. But in these, and similar cases in which I would not require proof of indigence as a qualification for relief, the following observation may occur to you. The qualification of indigence would be found to exist in the greater majority of cases, inasmuch as the greater part of the population from which such cases proceed, is so little removed from want, that the calamity of blindness is sufficient to produce indigence. In other cases the classes which receive relief are at the same time the classes which pay the taxes by means of which the relief is given. In such cases the tax is in the nature of an insurance, entitling the person who pays it to compensation, if a certain calamity should happen to his family.

There are many institutions for the support or relief of blind persons. They are chiefly maintained by voluntary subscriptions, which

appears to be a sufficient proof that they ought to be supported by the state

We next proceed to the case of lunatics and idiots. The existence of public lunatic asylums proves that the state recognizes the duty of making some provision for this unhappy class. But the provision thus made is wretchedly inadequate, and is not intended to extend to all. The state does little more than undertake the charge of paupers and of dangerous lunatics. But the small farmer, or the artizan, who has a member of his family of unsound mind, often finds the burden of supporting him almost more than he can bear; and the immediate victim of the calamity is often treated with a harshness not far removed from cruelty. It is not easy for an uneducated person to distinguish between acts proceeding from a disordered intellect, and similar acts proceeding from an evil inclination. Such acts, from whatever cause they proceed, are apt to produce in those who suffer from them—first, anger; next, from their repetition, hatred, and, lastly, cruel modes of repression. In some cases lunatics are incited to acts of violence in order that they may be considered dangerous lunatics, and when they come within this class their family is relieved from the burden of maintaining and watching them. The number of asylums ought to be increased so as to afford accommodation to all who are sent to them. Thus, unsoundness of mind would be a calamity against which every family would be insured. The insurance premiums would be the taxes that should be imposed to meet the expenses of the asylums.

The next misfortune to be encountered is sickness, grievous to all, but often ruinous to those whose labour is their chief support. Here the state does something, but not enough. Still, so much progress has been made within the present century, that we may reasonably hope that the full claims of the sick will ere long be recognized. The dispensary system has been extended so as to give more assistance and to greater numbers than formerly. This dispensary relief is not confined to indigence. The person receiving it is not considered a pauper, although he must be so poor in the opinion of some of his neighbours as to be a fit object for dispensary relief. The qualification is rather vague, but I cannot suggest any improvement, except that I believe, in some instances, the dispensary districts are too large, and in others the boundaries might be altered with advantage.

But the dispensary system only gives advice and medicine to the patient in his own house. There are many cases in which he ought to be placed in an hospital, and on this point the duty of the state is most inadequately performed, except in a few large towns. In the country, hospitals ought to be far more numerous than they are. There ought to be at least two hundred in Ireland. There should be in every considerable village an hospital to which every case requiring hospital treatment might be at once removed. At present in a case of small-pox, or scarlatina, or malignant typhus, occurring in a poor family, at a distance of twenty or thirty miles from the county hospital, this is what happens. The child has scarlatina, on Monday; a ticket is procured, and the doctor is of opinion that it is

a proper case to be sent to the hospital. He gives a certificate to this effect, and on Tuesday a message is sent to the hospital to enquire if a ward is vacant, and to request that the hospital van may be sent for the patient. The van is out, but when it returns it is sent to the patient on Wednesday, when the doctor again visits him and pronounces him to be too sick to bear removal. The expense has been incurred in vain. The child dies, and the infectious disease spreads through the country. All this might perhaps be saved if every town and considerable village had a small hospital to which the people in the neighbourhood could be sent in case of need. Here I would require no test of proof of want. The nature of the illness should alone be the qualification.

But every illness is not like a toothache, in which you can have the tooth drawn, and after this agreeable operation your ailment is entirely at an end. The disease may be incurable; such as consumption, cancer, and other malignant forms of disease which do not allow their victims an hour's respite from pain or debility. Homes ought therefore to be provided in which persons afflicted with incurable diseases should receive every attention and comfort of which their case admits, and which cannot be given them in their own homes.

When a patient recovers from fever, or any other severe illness, he is not immediately restored to his former strength. He is pronounced to be out of danger; his disease is cured. He is no longer a fit subject for an hospital, as for his complete restoration nothing more is required than rest, and good diet, and fresh air. Those important requisites to the recovery of health are seldom within the reach of the labourer or artizan, and they ought to be provided for him by the public. Near every town and village there should not only be an hospital for the sick, but also a convalescent home for those who have left the bed of sickness but have not yet recovered their strength. In this case liberality on the part of the state will be the truest economy, as timely help will prevent the industrious man from becoming a burden on the community, and will enable him to add to its wealth.

I have given a brief and imperfect sketch of various modes in which the wealth of the nation may be applied to the assistance of the working classes without impairing the motives to self-denial, industry, or economy. The expense will be far less than it appears. It will be less than the amount that is now given to simulated distress, or than what is spent in vain endeavours to arrest the advancing tide of pauperism. On the manner in which pauperism should be dealt with I make no remarks. The subject is well worthy of a separate discussion, and it may be dealt with in a different manner when the institutions of the country stop up the roads to indigence that are made by misfortune.

I have hitherto referred chiefly to the assistance which the state ought to give to the individual to enable him to meet the ordinary calamities to which his condition is subject. But much more remains to be done. It is of the utmost importance that the people should be educated, and this cannot be the case unless the means of obtain-

ing a good education are placed freely within the reach of all. If you leave it at the option of a labourer to provide education, that duty will be neglected altogether in many cases, and in general it will be insufficiently discharged. If it is made compulsory, it will be very difficult to enforce such a law. The very possibility of the workman procuring an education for his children depends upon the accident of a school being within his reach. The assistance which a young person can give to his parents, at the times most suitable in other respects for his education, is often so great, that a labouring man often feels that he is making no slight sacrifice for the future welfare of his child when he permits him to receive a gratuitous education. I believe that you must either have an ignorant population, or a population educated chiefly at the public expense; and that it is a wise economy to prefer the latter.

I do not yield to the fears that were formerly entertained, that every assistance given to the maintenance or education of the labourer's children will lead to a pernicious increase in the population. Gifts of food or clothes might have some tendency in this direction. But no such effect will be produced by the offer of an education to the children, since if it was not offered the parents might leave their children uneducated without feeling any immediate inconvenience. It is even probable that the general diffusion of education has a tendency, by promoting emigration, to prevent any injurious increase of population. It may be said, especially in these islands, that a young man who has received a fair education has nearly half the civilized world before him, to select the place where he can be best rewarded for his labour.

While the institution of private property in land adds so much to the productive powers of the soil, that even those who have no land can obtain a subsistence more readily than if private property did not exist, there is still one important use of land from which the great mass of the people are being gradually debarred. I mean its use for health and recreation. Land becomes so valuable for other purposes in towns and their neighbourhoods, that great mischief will ensue if the state does not intervene and insist upon having, at any expense, an ample supply of parks and vacant places to purify the air of the towns, and to afford the means of exercise and recreation to the inhabitants. It is just to provide them at the public expense, since none can be prevented from enjoying them. A park adds to the salubrity of the neighbourhood, and is thus useful to those who never enter it. Free admission should be given to all, and there should be an effective police and stringent regulations to prevent mischief and disorder. By good order I do not mean that people should quietly walk in pairs along a gravel walk, but that the different kinds of amusement should be kept distinct, so that the rougher and more tumultuous sports should not be permitted to disturb those who are unable to partake of them. A mob meeting, a hurling match, a musical band, a quiet walk in a garden, all may be permitted in their proper places, and under proper regulations.

The next grievance to the public from the private ownership of land is the difficulty of procuring suitable lodgings for the poor,

Space becomes so valuable that too many people are crowded into narrow limits, to the great detriment of the health of the entire neighbourhood. Here it is the right and the duty of the state to interfere. When the health of the public is concerned, the ordinary rule permitting free trade does not apply. A butcher will not be permitted to expose tainted and unwholesome meat for sale, even although he offers it at a cheap price, and makes no secret of its inferior quality. And yet in his case the mischief would not spread much beyond the person who buys or eats the unwholesome food. But in the case of crowded and unwholesome tenements, destitute of the means of health, cleanliness, or decency, a physical and moral pestilence is generated, which is sure to spread far beyond its first and more immediate victims.

The duty of state interference in such cases has been recognized to some extent, but it has been very inadequately discharged. No general rule prevails. The administration of the law is committed to different classes of persons in different places, and sometimes the duty of enforcing sanitary regulations is entrusted to those who have a direct interest in their violation. It would not be difficult to make and enforce such laws as would effectually prevent the existence of the miserable and unwholesome lodgings of which I speak. They cannot be concealed in remote districts, they cannot be removed or hidden when a search is made. Every spot in every town or city should be carefully mapped out, and the residence of every person known, and the sanitary condition of his lodgings. If the condition of the lodgings, from overcrowding or from any other cause, is likely to be injurious to the public health or morals, the house should be immediately closed and taken down, unless security is given that the evil should be remedied. In every case where more than two families live in the same house, there should be the certificate of some responsible person that there is not overcrowding, and that all the sanitary regulations are observed. The facts should be stated in detail, so that when an abuse was discovered it might at once be known who was the responsible person to be punished or censured.

The want of space for recreation and for lodgings is a great and growing evil in our cities, and unless some steps are taken to remedy this, the effect upon the health and morals of a great proportion of the population will be most disastrous. Moreover, innocent social intercourse among working people in towns is almost prohibited by our laws, or customs, or institutions. The rich have their clubs, where they can meet their friends and acquaintances, read books and newspapers, take their breakfast, dinner, and supper if they like, and enjoy all the comforts of a well-regulated house. The working man has something similar offered to him. He may meet his friends, and read his newspaper, and enjoy much greater comfort than falls to his lot at home, but this is coupled with one condition, that he shall drink, and expose himself to the danger of acquiring habits of intemperance which he cannot shake off, and which are ruinous to his health and fortune. I shall not enter upon any question about public-houses, for I observe that whenever that subject is introduced

here, it is apt to monopolize the conversation, to the exclusion of every other topic. But I may observe that their mischievous power is enormously increased by the fact that they are without a rival. There is no other institution which offers so many attractions to the artizan, independently of strong drink (which he often would prefer not to take) as the public-house affords him, on condition that he shall drink. Would it not be desirable that well aired, lighted, and warmed rooms should be provided, in which every man on his way home from his work might rest, and warm himself, and if necessary, meet his family, and perhaps even cook and eat his meals? If he cannot be altogether excluded, he may, perhaps, be attracted away from the public-house.

The importance of providing recreation for the people, both inside houses, and in the open air, has a close connection with penal legislation and reformation. Take the case of a man earning a scanty subsistence in unwholesome lodgings in a fetid court, surrounded by evil example, it will be difficult to propose any plan for his effectual punishment or reformation. Imprisonment and hard labour is scarcely a punishment to him, as that is the condition of his daily life. His prison fare and lodging are probably better than those of his ordinary daily life. And the motives to reformation are much impaired when you cannot show him a single pleasure within his reach unalloyed by vice. He will be reckless of consequences, and will eagerly snatch at every pleasure, however transient, which he may hope to find in drunkenness or sensuality.

One possible source of health and recreation has been discovered in the present generation, but it has by no means been turned yet to the greatest possible public benefit. I allude to the railway system. The great advantage of the conveyance by steam over the former means of locomotion, is that the expense does not increase in proportion to the numbers conveyed. An old coach-and-four carried sixteen people. If you double the number of passengers you must have double the number of horses, and increase nearly all the expenses in the same proportion; but the profits of an excursion train prove that a considerable number of passengers can be conveyed by steam for a trifling expense. There is no reason why the workman should not have a house and garden for himself and for his family ten or twelve miles distant from the place of his daily work, and an annual railway ticket to take him in and out every day for a sum less than the difference between the price of his wholesome country house, and his dirty lodgings in the city. I do not, of course, propose that the state should assist him to obtain that house and garden. Such an attempt would, I believe, be absurd and impracticable. But, impediments might be removed which the present state of the law places in the way of his buying those comforts for himself. Workmen pay liberally for what they want, and can procure. Enormous capitals are employed in the production of clothes, and food, and drink for the masses, and it is a matter for the grave consideration of the legislature to discover, and if possible to remove, the causes which prevent the application of capital to the construction of their dwellings.

I have now given a brief sketch, without attempting to exhaust the subject, of some of the means by which the great wealth of the nation may be applied to promote the happiness of the community. I am fully sensible of all the evils, both social and economical, which would arise from any laws or institutions that would make the comforts of the individual independent of his industry and economy, or which compel the prudent to support the idle and improvident. But we should not be afraid to enquire whether there are not many things which may be usefully done, merely because there are other things which cannot be attempted without mischief. We must endeavour to distinguish and analyse the causes of the mischief, and see how far they ought to operate to prevent what may be called benevolent legislation. I have endeavoured to show, that much may be done which has been hitherto neglected, and that the surplus useless wealth of the community ought to be employed to a far greater extent than at present, in promoting the health and happiness of the public. This is the natural progress of civilisation. Every generation gives to every member of the public, at the public expense, advantages which in preceding ages every individual was obliged either to forego, or to obtain at his own expense. When they are enjoyed for some time, it appears absurd that it could ever have been otherwise. We may walk home to-night, through well lighted and well guarded streets, but we should reflect that a hundred years ago each man should be accompanied with a couple of well armed attendants to protect him, carrying torches to light him on his way. It is interesting to enquire how much more may be done. The question in each case seems to be, Ought the individual in each case be either without this particular good, or ought he to be left to his own exertions to obtain it? The distinctions between rich and poor will never cease to exist, nor, perhaps, the distinction of classes, but there is no reason why equal happiness should not be enjoyed by every rank and every class.

II.—*Educational Endowments, and their application to the Middle Class and Higher Education of Girls and Women.* By William Graham Brooke, Esq, M A, Barrister-at-Law

[Read Tuesday, 28th May, 1872]

EDUCATIONAL endowments mean endowments applied for the purpose of education at school of boys and girls, or for the purpose of exhibitions tenable at a school or university, whether in the shape of payment to the governing body of any school, or to the teachers, scholars in any school, or to their parents, or for the purpose of buildings, or for school apparatus for any school. Such is in brief the definition of educational endowments, as stated in the Endowed Schools Act of 1869. The preamble of that Act affirms, that it is expedient that various changes should be made in the government,