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"THE FALLACY OF SAVING."

The above is the somewhat striking title of a book which forms one of the last editions to the "Social Science Series." The author, Mr. John M. Robertson, is a journalist and litterateur of some note, his recent volume entitled "Modern Humanism," in the same series, having attracted special attention. Mr. Robertson finds that the teachings of the so-called orthodox economists, from Adam Smith onwards, on the subject of saving, are inconsistent and erroneous, inasmuch as, while they continually insist that saving promotes production, they overlook the obvious fact that it checks production. The man who puts his money into a bank virtually hands it over to some one else to spend, but does not thereby promote production any more than if he had spent it himself. In some cases there is more money in the banks than can be profitably invested and then there is arrest of production. The parties who own the capital will not spend it themselves, and no one can undertake to spend it for them and give adequate security for its return with interest. "In commerce," says the author, "under the regime of parsimony, every producer seeks to produce as much as possible without consuming any more of the product than he needs for his own use. At any one moment of commercial history, there is either over-production, crisis, or strategic check of population; and all the while multitudes are striving not to consume what they might so that they may have something to fall back upon in sickness or idleness. And all the more sure idleness comes and they do fall back on it. And thus life is narrowed and degraded, products made poorer, dwellings more paltry; so that the collective comfort of the industrial population is something immeasurably ignoble, like the pullulating rabbits and mice."

The truth which this writer sees and states with no little force is that there is a natural economic limit to saving—that if everybody saves then nobody will spend and production will be at a minimum. The economists have been in the habit of saying that saving may be carried to any extent because human wants are infinite, and there will therefore be an exhaustless demand for savings as capital, but human wants will not be infinite if they are infinitely repressed, and therefore, we either have to posit some limit to saving, or else conceive the singular spectacle of everybody saving in the vain hope that somebody else will not save but spend. The writer to whom we refer shows plainly enough that a restriction of capital in foolish and risky investments; whereas, had a portion of the money been employed in ordinary business, production would have been greatly stimulated, while the remainder

would have been applied to relatively safe investments. If we ask what amount of savings a given society requires at any time, the answer must be enough to provide for further development, in other words there must be enough in hand to provide for a growing population and for works of public utility. If savings are carried beyond this point then the general scale of living of the community is needlessly depressed, and, as above pointed out, the excess of savings is very likely to be wasted through being forced on a money market already sufficiently supplied.

We see here a conflict, however, between the individual and the general point of view. The individual may say: "I fully recognize that trade would be brisker, that the general condition of the community would be more prosperous, and that some of us would live better than we do, if there was less saving and more spending; but what am I to do? I cannot afford to run risks. Old age and the various accidents of life have to be provided against, and, if I do not save, I leave myself defenseless against these evils." The writer of the book recognizes the dilemma: the interest of society at large calls for as liberal an expenditure as is compatible with a sufficient

reserve of capital for purposes of development; but individuals cannot do this unless they all economize more or less strenuously, with the effect, in the aggregate, of carrying economy far beyond the point of true social utility. He consequently takes the bull by the horns and proposes that the state should provide old age pensions for those whose characters as honest workers are unimpeachable, but who could not have provided for their own old age without depriving themselves, during their working years, of just that margin of their wages necessary to raise their lives above penury and distress.

The suggestion in regard to old age pensions is one which of late years has found many advocates and some very influential ones, so that it is not a peculiar fad of the author of "The Fallacy of Saving." Still it fits in perfectly with his theories, and we are not surprised, therefore, to find him advocating it strongly; nor can we doubt that some of the arguments contained in his book will be used by future advocates of the pension scheme. The whole subject is one of great interest. The old political economy does not to-day enjoy any prestige which will prevent the world from examining new theories. There is a wide-spread readiness to believe that a better and higher civilization than ours ought to be, and is, indeed, possible, and that the social question is one of vastly more importance than any question of mere science or literature—that it is the question with which all earnest and humane minds should grapple and which they should not abandon or re- lease until they have seen some way of

deliverance for the disinherited ones of society from their bondage to hard and dehumanizing conditions. This widespread interest in the social problem is the most encouraging characteristic of our time; and, the book to which we have referred is simply one out of a multitude of well-meant contributions to an understanding of that problem. As such we have thought it deserving of notice.

ESPARTO GRASS.

Esparto grass has recently been recommended for introduction into the United States as a fiber plant. It is a native of Spain, Portugal, Greece and Northern Africa, thriving upon sand and gravel in arid situations, and growing especially well on limestone and gypseous soils. It is not cut, but pulled, sometimes twice a year. It can be grown either from seeds or divisions of the roots. Ten tons of dry esparto, worth from \$20 to \$25 per ton, can, under favorable circumstances, be obtained from an acre. In Spain, where now the product amounts to from 70,000 to 80,000 tons annually, it formerly ran to waste or was used only as fuel. Now, such is the demand for it, that land considered valueless a few years ago is worth thousands of dollars. About 10,000 tons are produced in the latter country, and used in the manufacture of ropes, baskets, sandals, matting, etc., while in England it is largely used in the manufacture of paper. Good writing paper is made from it without the admixture of any other material, and the price of this paper varies from \$200 to \$250 per ton. There is certainly an opening in this country for some enterprising individuals to grow this grass.—*Scientific American.*

AMERICAN statistics show that the production of anthracite coal last year was the largest on record. Though the winter was a mild one, 41,893,320 tons were turned out. This is an increase of a million and a half tons over 1891, which was higher than any preceding year. It is estimated that there are 4,684,000,000 tons of anthracite still in the ground in the American coal regions.

THE so-called Princess Kaiulani, now at New York, puts up a pitiful tale about being robbed of her birthright in Hawaii by which she means the right to tax the people of Hawaii to support her on a throne and to rule over them without their consent. The sooner this girl gets out of her head the notion of her "divine right" the less ridiculous she will be. Possibly she might be fit for a situation in some family as a kitchen girl.

EX-PRESIDENT HARRISON'S acceptance of a professorship in Leland Stanford, jr., university disposes in a prompt and dignified manner of the question, "What shall be done with ex-presidents?" so far as he is concerned. Indeed, there never has been any cause for worry upon

this score, and it may be hoped that the meddling and offensive persons who would fain provide place and title for this small class of honored and capable citizens will now take a hint and remit their efforts in this direction. The life of every ex-president and ex-vice-president of the United States has demonstrated, each in its own way, the simple fact that these individuals are not inferior in the matter of ability to take care of themselves to any other intelligent citizens of the republic, and there is not the slightest reason why they should be allowed to do so unvexed by the officious persons who insist that they should be "provided for in a suitable manner."

A SUGGESTION is made in the line of municipal reform by a keen American observer, Mr. Charles F. Adams, after a study of the civic history of Quincy, Mass. He believes that the prime necessity of the times is to procure in public offices the services of the "great men" in the community; and his plan is virtually compulsory municipal service. "I venture to suggest," he says, "that in the matter of municipal rule and administration we might to-day derive useful hints from the experience in another field of France and Italy, and yet

more of democracy. These nations have had ours. Adequate security against internal disorder or foreign aggression is their problem. Their solution of it is compulsory military service. Our problem is good municipal government. Might not its solution be found in a species of compulsory municipal service?" Mr. Adams puts this idea forward with the air of a man who would be serious if he dare. He argues for it on the line that the community has certain rights over the individual, which, if the public exigency demand, it can enforce. There is in Mr. Adams' idea this truth—the need of the cities of our continent for good men in their council rooms is fully as great as that of the European powers for their armies. And, moreover, that a man of the standing of Mr. Adams should soberly propose such a drastic method of supplying that need shows how deeply it is felt among the thinkers who have given their attention to the matter.

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