Friedrich Bülau's Call for a Market-Oriented Solution to the Problem of Poverty in Germany during the First Half of the Nineteenth Century (1834)

Abstract

In his 1834 analysis of Germany's economic problems, Leipzig economist Friedrich Bülau (1805–1859) argues that only free market solutions, not government restrictions, were capable of remedying poverty, stagnation, and the lack of productivity. In espousing these views, Bülau parted ways with the impoverished population, which generally opposed economic deregulation.

Source

Overpopulation and the Inability to Provide for Basic Needs [*Nahrungslosigkeit*]

Malthus assumed that the bulk of the population's means of subsistence was capable of multiplying only up to a certain point, and only at an inferior rate, but that the population itself could multiply at a much faster rate, so that consequently, sooner or later, once there were no unnatural obstacles working against the population, a disparity between these two elements, population and production, would arise in every land and, ultimately, throughout the earth. Now he certainly did not deny that nature has offered remedies for the tragic consequences of this law of relative increase. But just as he painted the phenomenon itself in the darkest colors, he also saw help in only the most disastrous moments. It requires a thunderstorm, a gale, to purify the air impregnated with pernicious fumes. Poverty, misery, vice, and illness counteract the all-too rapid increase in population. Nature helps [remedy] this excess growth with plague-like epidemics, disastrous wars, earthquakes, floods, hurricanes, in brief, with dreadful upheavals that are terrible in character and benevolent in their consequences. In order to spare nature this tragic effort and to maintain the balance it desires in a more peaceful way, Malthus certainly had methods to propose, but these were methods from which he himself hardly expected sufficient results, and ones whose lawfulness and practicality were not beyond the reach of solid objections. He wanted to counter the physical drive with a moral power, to unite reason and egoism into a voluntary resolve to renounce any rash reproduction of their lineage. His proposals were directed against the marriages of the poor. Certainly—and here was the Briton speaking—nobody should be denied entrance into marriage, but the conclusion of every marriage union should be preceded by a solemn account of the dubious prospects it opened up for the offspring of frivolous marriages, and by a declaration that the children produced by a union initiated after a preliminary warning of this sort may not make any claim on the state in the case of their impoverishment. — A warning that will not deter frivolous persons. Even if it did have urgent impact in a serious moment, and did prevent a marriage union, it would be hard for the lovers, in the rash hours of temptation, to remember that moment, and the consequence would then be that one had simply prevented the well-ordered and therefore least harmful relationship of marriage, [only] to see the same results emerge to greater disadvantage from an out-of-wedlock tie. Who, furthermore, is watching out for the unexpected blows of fate? The young married couple approached the altar with reasonable prospects. Knowledge, diligence, and health guaranteed them the means to establish some moderate good fortune. An unfavorable economic situation robs [them of] opportunity, a lengthy illness of the energy to work, and, abandoned to impoverishment, they see their children affected by the dire consequences of a step they had dared to take in good faith! What, ultimately, is the point of a threat that morally cannot be carried out? As long as a feeling for humanity still lives in the human breast, as long as one still grants sympathy even to the person at fault (not to mention the

blameless person) and helps where one is capable of helping, the unfortunate children of nature will not be ostracized by humanity, abandoned, surrendered to death from starvation, the unhappy offspring of carelessness and misfortune will not be punished for the errors or setbacks of their parents. If the children are there in the first place, the state cannot allow them to starve.

[…]

In our time, a sudden anxiety has spread among the rich, and they would like to safeguard themselves at any price against the danger they fear from the growing misery of the poor. If they were to take the most natural measures and make it easier for the poor to lift themselves up through their own efforts to a higher level of physical and spiritual welfare, this would help both them and the whole [of society]. But they are merely trying to look after themselves at the cost of the poor, and they believe that they have removed the danger when they have used new restrictions to entrench themselves against the working classes, consequently intensifying the cause of the danger. The proposals for laws to prevent marriage among so-called persons without means [*sogenannter nahrungsloser*] have emanated from this spirit. Those regarded as without means [*nahrungslos*] are not, say, those who have no income and are simultaneously incapable of working, e.g. distinguished spendthrifts who have learned nothing; instead, that person is counted as without means who possesses valuable capital in his natural powers—and the interest on this capital could feed him—and who also has the will to exert these powers in support of himself and his family and for the benefit of the commonweal, but whom civic institutions themselves, the laws of the rich, the guild articles, the privileges of the cities, and the tariff laws of the state have deprived of the opportunity to earn his bread in an honest manner. If one takes the tools of the trade away from a poor shoemaker in the country who hasn't [just] patched up a pair of boots but has [actually] manufactured them, and [then] we bemoan his wife and six children, whom he had, up until that point, honestly fed and faithfully raised, then one is certainly responding with the moral indignation of the fortunate: why did the man have to marry and bring children into the world? Why? Because he is also susceptible to love and doubly in need of it in his depressed condition. Because he is a human being and because he still believes that marriage is a moral relationship and, for anyone for whom it is somehow possible, a duty. If you prohibit marriage for the poor, then you have insulted human dignity most insolently, pronounced terrible scorn on the most natural equality, torn apart the holiest feelings, and you have taken from your fellow human and fellow citizen the last wellspring of innocent joy, the bond that brings him closer at some moments to the level of more high-minded human beings, that binds him to his hearth, to his parish, that makes religion venerable and civil society dear to him, that makes the present valuable and the future important for him—you have obstructed this wellspring for him, deprived him of this bond, robbed him of everything that goes beyond the most common egoism. And then you still demand that he should be a diligent and frugal worker, a good, moral, and law-abiding man, a loyal, peaceful, and grateful citizen. These are such purely human feelings: marital tenderness, fraternal and maternal love; it is so little and yet means so much to the poor. For us, these pleasures are replaced by fatherland, science, business; the poor and unfortunate man has nothing except them. If you make it impossible for him to satisfy his natural instinct in a moral form, then you would have to privilege the extramarital version, then [go ahead and] hire street whores and give them away gratis to the people, build foundling houses, and then take a look at what kind of generation you have called forth. Of course, the population will not become so alarming, since fortunately most [people] are not the products of out-of-wedlock unions. It is hard to write calmly about this subject. Law, morality, religion, and policy all rebel equally against these proposals. […]

In recent times, one has returned to the methods of old and is recommending emigration as the only way to get rid of excess population in a manner beneficial to both sides. At least this provides an opportunity for our anxious rich to get the poor out of sight! Freedom to emigrate should certainly remain, because without this the state would be a dungeon. But the decision to leave the homeland of one's fathers—the places in which one dreamed one's youthful dreams, in which everyone has enjoyed at least a few

moments of happiness, found at least something that is near and dear to him—is a major decision, and it should not be expected that many will freely seize this opportunity. It would also be at least unworthy of the state to use its institutions to drive part of the population out of the country, regardless of what fate holds for it abroad. With the exception of extraordinary strokes of luck, this can only prove favorable if the emigrant possesses capital assets or skills that he was not able to utilize at home but can certainly exploit abroad. Nobody is glad to see those with the former [capital assets] emigrate. With respect to the latter, it should be incumbent upon the state to create advance opportunities for the useful pursuit of these same [skills] at home. Should the state encourage emigration, support the emigrants, provide them with funds? Apart from the fact that this would involve a shameful confession, it might easily absorb sums that could be used at home to arrive at the same goal.

[…]

One can only call a country overpopulated when it has more inhabitants than it is capable of supporting after all of the resources of nature and human strength have been fully developed. And a population is supported when it is possible for everyone to satisfy his basic needs through an exertion of effort. If the latter is not the case—if many among the people have to do without admittedly basic needs, e.g., healthy, nourishing food, comfortable, warm, and practical clothing, spacious living quarters, a truly educational upbringing, yes, if they languish in distress and poverty and even proceed to crime—then all of this offers still no proof of overpopulation, as long as it has not actually been demonstrated that all of the help at the disposal of a country has been exhausted or that the distress of the many does not have its basis in the affluence of the few. The condition of overpopulation is fundamentally different from the situation in which a population cannot supply its basic needs [*Nahrungslosigkeit*], in which the population—in its entirety or just in part—is unable to support itself because it cannot develop all of the resources at its disposal. Both conditions are similar in their symptoms and consequences, [but] in their causes and hence their remedies infinitely different. […]

But the distress that […] shows itself now? The poverty that is so widespread? What, one asks, can all of your theorems prove versus appearances, versus experience? The state of emergency [characteristic] of our time is therefore supposed to arise from a discrepancy between population and production. Overpopulation is supposed to be imminent or already here. If this were the case, it would have to show up first in rising food prices. But, on the contrary, these are continuously sinking, and anxious farmers are already saying: improved agricultural systems are producing too much, and the population is not capable of consuming the fruits annually harvested. Hence, there is an abundance of food, and yet there are supposed to be too many people. Herein lies an outright contradiction. Yes, comes the reply, man needs more than bread, and the poor man is often unable to eke out the most basic necessities even with all this abundance and all the inexpensive prices. Thus we arrive at two completely different causes for the state of emergency: the greater artificial needs of the world of today and the smaller earnings of a portion of the population.

Even with all the reasons offered for today's misery, one cause that puts the phenomenon in an entirely different light has been emphasized only a little: namely, that not only has the population increased, but that recently a major portion of it has, in a sense, fully ascended to a position of natural consumption. […]

Compare the position of a farmer or a burgher or a craftsman in our time with the situation of those who did their work among our ancestors, and one will soon recognize that, back then, a smaller number of people could live comfortably because the greater number was pressed down below the level of basic comforts whose satisfaction man, as man, is entitled to demand. Compare then and now, and one will stop complaining about a newly created poverty among these classes and [stop] attributing their cause to an oversized multitude; rather, one will be astonished by the dimensions of, and the infinite increase in, needs that production is able to satisfy. But even here I notice, as a premonition of things to come,

that the possibility of endowing the majority of the people with their natural rights was itself determined by their endowment with these natural rights; that even here there was an interaction, that even here the most just procedure was the most useful, that freedom was the salvation. Slave labor remains slave labor; under certain circumstances, it can yield a greater net return for its lord and master, but it delivers a smaller gross volume to society. Free labor feeds a larger population. Property arouses a zeal for improvement. The certainty of bequeathing the fruits of one's labor to one's descendents leads to thrift, and the kind of glittering wealth that among a slave people is concentrated in the hands of a rich few is nothing compared with the bulk of capital that forms and is broadly distributed when there is a free, diligent, and industrious people. […]

But it is not just that the population has increased, not just that the majority of the people has ascended to a level of greater freedom and therefore greater needs; the needs of all have increased, and what is now a need for the poorest was once not even so for the richest. Compare the household of a day laborer in our time with that of a prince from the Middle Ages, and we find that the former has many advantages that contribute fundamentally toward increasing life's comforts, while the latter has only an abundance of objects whose abundance is of no value. The tables and chairs of the most wretched hut are more comfortable than the thrones of our ancestors; a hundred years ago, windows and mirrors were just rare showpieces for the rich; shirts were a luxury; 250 years ago, the rooms of Queen Elizabeth of England were strewn with rushes; even the useful tools, the knives and axes of prehistoric times, how rough and clumsy, how unsuitable they were. Only in weapons was there art, and yet, what are the weapons of the Middle Ages compared to ours as soon as we start paying attention to their use? An abundance of objects from raw production, of food and drink and artless clothing materials was luxury in the Middle Ages. There is no need to prove that today there is a larger sum total of goods for consumption, a greater number of advantages, amenities, and benefits distributed throughout Europe, and distributed far better, than in any other period in history. Here, it should not be forgotten that greater thrift in the consumption of raw products, of the most necessary things, has not emerged as result of want, but as a natural companion to culture and an expanded sphere of consumption.

“But these artificial, newly arisen needs, how is a poor man supposed to satisfy them; how can they be met in sufficient quantity for an ever growing number of people?” So you believe that you are facilitating the satisfaction that has become a popular need—and not to the detriment of humanity—when you diminish the effort required to meet it? When population increases, will production not also expand (and, with all these artificial products, at a rate that infinitely exceeds the progression of the census figures)? Are not new and more perfect products that facilitate life being discovered daily and disseminated at rapid speed? Has not natural energy, because of how it was harnessed by artificial machines, concluded a new alliance with man and commended its services to him in a manner in which it had previously not paid him such tribute? Thought has become productive; it takes effect in the wheels of the steam machine, and immeasurable masses of goods owe their origins to theoretical speculation. And while one certainly complains about shortages and inflation, is one not complaining about the abundance and worthlessness of commodities? The population does not seem to have followed production, the latter seems to have stepped ahead more rapidly than the former. Here too, in any event, an analogous law is at work: more has been produced because more was used, and because more was produced, more was used.

So the land’s current yield of consumer goods more than suffices to feed the population, as is proven by low grain prices; this yield is capable of an extraordinary increase; its consumption has grown comparatively smaller; products from abroad will still be the reward for our hard work, and will always be so; artificial needs are satisfied more easily on a daily basis, and yet should Europe not feed its children because that is asking too much? Should overpopulation be imminent or already here? Overpopulation? Where soil and human effort produce more than is used? Never can such contradictions be united.

“But with all this you do not explain this misery and poverty, which you are in no position to deny!” But that is not what I want [to explain] thereby, rather I [want to] prove that the surplus of population cannot be the root of the evil. It cannot be this, because we are still far from having a situation in which all sources of assistance are exhausted, used to the greatest extent possible, or even made fully accessible. Consequently, the disturbing condition that all of us are lamenting may be described not as a condition of overpopulation, but as an inability to provide for basic needs [*Nahrungslosigkeit*]. This is not another name for the same thing, there is a very big difference; from the moment we acknowledge the condition as such, we are liberated from the terrible (and hardly achievable) task of working toward reducing the population or at least preventing its increase. We are dealing rather with the search for circumstances that prevent the existing, still too small population from developing all the powers at its disposal to the fullest and most successful extent possible. In order to remedy an evil, one needs at the very outset to become acquainted with its cause. In order to counteract this inability to provide for basic needs [*Nahrungslosigkeit*], one has to have found its sources. And, truly, in our highly cultivated states, one need not search far to identify active causes that bring about the impoverishment of numerous classes of the people with far greater certainty than an increase in the popular multitude. What’s astonishing is not that poverty exists, but that it is not greater.

It was mentioned above that agriculture in almost no European state has reached the level to which it is determined to rise by nature. But the same circumstances that are largely to blame for this evil are simultaneously responsible for the fact that most of the advantages ensuing from agriculture fail to accrue to the numerous and respectable class of actual farmers and are not applied to productive undertakings. All the circumstances that bring about the indivisibility of the [landed] estates, that remove the land, and the servile burdens that rest on it, from open commerce, everything that brings considerations into the relationship of man to landed property other than those of its optimal use, everything that holds this back also contributes to a situation in which agriculture fails to brings forth as many advantages as it could and [in which] fewer claim as many of its advantages as they are entitled to. The shackled state of agriculture has pushed a major portion of the population into the trades; [a portion of the population that] would have found a secure lifelong occupation in agriculture if this were free of burdens and restrictions. It is not in the agricultural villages, but in the factory sites, cities, and their environs that the tragic symptoms of an inability to meet basic needs [*Nahrungslosigkeit*] have emerged most visibly.

But how [it is that] so many causes reside in the trades themselves, or even more in the institutions relevant to their operation, with the result that the advantages arising from them are neither so great nor so broadly distributed as might be possible under a better arrangement – much of this remains to addressed in the following pages of this publication. When there are complaints that so many workers are not finding remuneration, one should not begin instigating the removal of these workers—not to mention shackling them—rather one should first explore whether a more remunerative sphere of activity might not open up. And one should adopt the latter for as long as there are still institutions that prevent many members of the people from applying their energies in the place and manner in which it is easiest for them to do so. At the same time, the conclusion to these pages will show how our poor relief, whose connection to the preceding material will be proven, is still a long way from the right path to its main goal: namely, making itself superfluous. It will be recognized that the noblest, though not most harmless, error of the time consists in misguided charity.

Agriculture and industry are therefore still far from “achieving the most good for most people.” But as for trade? Is there any need for proof that both domestic trade and world trade are inhibited by a thousand artificial impediments and restrictions, which only its constant struggle for freedom and its characteristic, wonderful pliability have been able to neutralize to some extent? The prohibitive system is the foundation for many states’ trade policy, so why the surprise about stagnation and impoverishment? But there is a supply of a hundred works on this subject, and the best commentaries

are supplied by experience. Here [let me make] the simple observation that, even with [all] the artificial impediments accounted for, we are still far from a situation in which trade has overcome the natural inhibitions as victoriously as the latest triumphs of the inventive spirit make possible. The greater speed imparted by the steam engine, the resulting possibly of multiple trade relations, is alone sufficient to infinitely multiply the blessings of trade [both] intrinsically and in its effects on agriculture and industry and on the condition of the population.

Source: Friedrich Bülau, *Der Staat und die Industrie. Beiträge zur Gewerbspolitik und Armenpolizei.* Leipzig: Göschen, 1834, pp. 22–56; reprinted in *Die Eigentumslosen,* eds. Carl Jantke and Dietrich Hilger. Freiburg and Munich: Verlag Karl Alber, 1965, pp. 256–65.

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