

## Two Hands, One Mouth

“Two hands, one mouth” is an old Libertarian slogan (by the way, can anyone tell us its origin?) that rebuts the myth that immigrants are an economic burden on the societies that they join. It makes the point that human beings in general are a positive resource, creating more wealth than they consume.

Of course politics can change that. An invading army can destroy the territories that it conquers. **Some nations** are beginning to think that hostile civilians can too. And governments, by instituting welfare-state or other socialist policies, can prevent immigrants from creating wealth and from lifting themselves out of the condition of being alienated parasites.

There was no need for West Germany to spend **1.5 trillion dollars** on subsidising and ‘reconstructing’ East Germany after Reunification, thereby severely damaging its own economy and storing up political trouble for the future. On the contrary, the East Germans, after decades of communist repression, were an untapped resource both for themselves and for the world, whose liberation should have enriched both parts of the country and everyone else as well.

Now we see, via **Solomon**, that the South Koreans are making the same tragic mistake in regard to their own northern compatriots:

The South has been laboring to keep the North afloat for fear of the extreme costs of integrating the North should it collapse.

Meanwhile, the regime they are keeping afloat holds millions in starvation and tyranny, and threatens the world with weapons of mass destruction.

The North Korea crisis is complex and dangerous enough already, without being worsened by tacky economic myths. The South Koreans – and the world – should not be thinking “but how would we support 22 million indigent spongers?” They should be thinking “22 million additional South Koreans! OK, most of them don't know much yet, but they can learn, and most would eagerly work hard for a month in return for a mere colour television. What a boon to the world!”

## Values matter

Jews are entitled to automatic citizenship in Israel, but non-Jews are not, and it's essentially impossible for some groups of people to get residency permits in Israel. This is the right policy, because any other policy would undermine the Jewish character of the state. Even a policy which allowed open immigration for non-hostile people would tend to undermine Israel's mission, because there is a tremendous economic incentive to move to Israel which does not carry with it Zionist tendencies.

Similarly, the constitutional orders of America and England depend on having citizens with certain values apart from economic values. There is a large economic incentive to move to America -- but this does not necessarily carry with it a desire to become American. This would be no less true if state subsidies were eliminated.

I'm not sure what the right answer to the problem of immigration is, but I don't think it's at all clear that open immigration is the right policy.

by **Woty** on Wed, 03/16/2005 - 15:40 | [reply](#)

## Two hands, one mouth

The observation was made by the economist John Stuart Mill, and quoted here by Henry George in *Progress and Poverty* -- which, if you haven't read it, or haven't read it lately, I highly recommend to anyone of libertarian bent!

Manifestly the question whether increase of population necessarily tends to reduce wages and cause want, is simply the question whether it tends to reduce the amount of wealth that can be produced by a given amount of labor.

This is what the current doctrine holds. The accepted theory is, that the more that is required from nature the less generously does she respond, so that doubling the application of labor will not double the product; and hence, increase of population must tend to reduce wages and deepen poverty, or, in the phrase of Malthus, must result in vice and misery. To quote the language of John Stuart Mill:

[begin Mill quote]: Nature, not the injustice of society, is the cause of the penalty attached to over-population. An unjust distribution of wealth does not aggravate the evil, but, at most, causes it to be somewhat earlier felt. It is in vain to say that all mouths which the increase of mankind calls into existence bring with them hands. The new mouths require as much food as the old ones, and the hands do not produce as much. If all instruments of production were held in joint property by the whole people, and the produce divided with perfect equality among them, and if in a society thus constituted, industry were as energetic and the produce as ample as at the present time, there would be enough to make all the existing population extremely comfortable; but when that population had

doubled itself, as, with existing habits of the people, under such an

encouragement, it undoubtedly would in little more than twenty years, what would then be their condition? Unless the arts of production were in the same time improved in an almost unexampled degree, the inferior soils which must be resorted to, and the more laborious and scantily remunerative cultivation which must be employed on the superior soils, to procure food for so much larger a population, would, by an insuperable necessity, render every individual in the community poorer than before. If the population continued to increase at the same rate, a time would soon arrive when no one would have more than mere necessities, and, soon after, a time when no one would have a sufficiency of those, and the further increase of population would be arrested by death."

All this I deny. I assert that the very reverse of these propositions is true. I assert that in any given state of civilization a greater number of people can collectively be better provided for than a smaller. I assert that the injustice of society, not the niggardliness of nature, is the cause of the want and misery which the current theory attributes to overpopulation. I assert that the new mouths which an increasing population calls into existence require no more food than the old ones, while the hands they bring with them can in the natural order of things produce more. I assert that, other things being equal, the greater the population, the greater the comfort which an equitable distribution of wealth would give to each individual. I assert that in a state of equality the natural increase of population would constantly tend to make every individual richer instead of poorer.

source: <http://www.henrygeorge.org/pandp.rtf>

by [lvtfan](#) on Mon, 10/16/2006 - 21:38 | [reply](#)

## Re: Two Hands, One Mouth

*The observation was made by the economist John Stuart Mill, and quoted here by Henry George in Progress and Poverty*

Thank you!

But it looks as though Mill was quoting it only in order to deny it. Might there have been an earlier source of the idea?

by [Editor](#) on Mon, 10/16/2006 - 21:53 | [reply](#)

## Re: Two Hands, One Mouth

more people -> more specialization -> more effective work, per person

or, suppose you can eat for \$1000 per year (you can eat for less). even illegal immigrants make quite a bit more than that.

-- Elliot Temple

[curi@curi.us](mailto:curi@curi.us)

**Dialogs**

by [Elliot Temple](#) on Mon, 10/16/2006 - 22:29 | [reply](#)

## Capital Investment

Modern capitalist doctrine assumes that in the short-term, but not the long term, wages will fall if there are sudden population increases. The reason real wage suppression does not occur in the long term is that people save and invest a proportion of their income and therefore the stock of capital grows, increasing the productivity of each worker. This offsets decreases in per capita productivity when increases in population temporarily cause more people to have to produce with the same amount of capital equipment.

The rate of growth of the stock of capital depends (holding other factors constant) on both the efficiency and the amount of money investment. Population growth increases the amount of investment. Knowledge growth increases the efficiency of each dollar invested. The amount of knowledge has likely been exponentially increasing, precisely because larger numbers of interconnected populations are freely exchanging ideas.

Ideas, unlike packaged breakfast bars, are not used up after they are traded. They are not consumed, but in fact become (probably exponentially) more powerful in terms of their capacity to generate wealth, the more they are exchanged. Rational exchange increases the truth value of each idea, and each increasingly correct idea is shared amongst all, increasing everyone's "human capital" and therefore efficiency in production.

The bet of most economists is that knowledge growth and consequent productivity growth will continue to increase faster than the population, so per capita real wages will continue to rise.

Rapid population growth can overwhelm economies and sometimes decrease real wages in the short-term, but not in the long-term.

by a reader on Wed, 10/18/2006 - 21:55 | [reply](#)

## Not Quite Specialization

Population growth may increase specialization, but in doing that it also increases transaction cost. Given a stock of knowledge, there is an efficient amount of specialization such that dividing the production process more finely increases the net cost of production, not decreases it.

If there is a given probability that any given intelligent and rational person will come up with a good idea in a given time period, the larger the population the greater the rate that good ideas will be generated per time and refined by exchange with others throughout the population. Poor ideas will be quickly exposed.

Since it is relatively costless to exchange ideas given the internet and other technologies, the real reason population growth leads to increasing wages is not because of increased specialization, but rather because of the increased rate of knowledge growth and

criticism permitted by more people generating, sharing, and criticizing ideas.

Indeed it is possible that technology growth will allow people to be more able to individually produce the goods they want and need. So it is at least conceivable that knowledge growth, fueled by the creativity of large populations in free societies, will lead to more self-sufficiency and less specialization in production.

by a reader on Wed, 10/18/2006 - 22:37 | [reply](#)

---

Copyright © 2007 Setting The World To Rights