

CHAPTER XIX

THE CAUSE OF CIVILIZATION AND DECAY

WE are now in a position to explain the inquiry with which we started. We can now understand why it is that, in spite of the advances in the arts and sciences and with all of the improvements in the means of production, poverty continues to intrude, like a poor relation at the feast. We can now understand why the discoveries of the mechanical world pass over society, like a rain-laden cloud over a thirsty desert, and leave humanity but little better off than it was before. It is also possible to unravel the mystery of history; to explain the laws which govern the rise and fall of nations and the destruction of whole peoples in the midst of their splendor.

We have missed the purpose of organized government. We have perverted the state from its proper ends. We have exalted privilege above liberty and the rights of property above humanity. In this is to be found the explanation of the unequal distribution of wealth. It is not due to any natural inequalities in the endowments of men. The princely fortunes which have come into existence

during the past few years are not traceable to thrift, intelligence, or foresight on the part of their owners any more than the wide-spread poverty of the masses of the people is due to the lack of these virtues on their part. The laws of the land are responsible for the billionaires, just as they are responsible for the dock laborers; they are responsible for the Waldorf-Astoria, just as they are responsible for Packing-Town.

The American people are between the upper and the nether millstones of law-made privileges. Above are the cruelly oppressive taxes of the Federal Government, which exact from one and a half to two billion dollars a year from those who labor. Below are the rent of the land, the monopoly charges of the mine-owners, the railways, the transportation agencies, and the other public utility corporations, as well as the countless other monopolies, which are identified with the land or are directly traceable to the tariff or the railways, and which exact from three to four billion dollars a year more. Struggling between these law-made privileges are 80,000,000 of people, whose political institutions have fallen under the control of a class. The heart and the brain of this merger is in Wall Street. Its tentacles reach out into the humblest home in the land. It pursues its purpose with no concern for the nation's welfare. It is deaf and dumb to any appeal save self. It differs from the privileged

orders of other lands only in the magnitude of its operations. History is filled with examples of government by a class, but history nowhere records a nation of free men, endowed with the ballot and safeguarded by laws of its own making, permitting its highways, its resources, and its machinery of taxation to be made the plaything of stock-jobbing interests, in which the stakes involved are the control of a continent and the well-being of 80,000,000 of the most highly educated people of the globe. Yet such is not an exaggerated picture of what has happened to America during the past few years.

Whoever controls these agencies controls a people's destiny. They can decree comfort, contentment, and happiness, just as they can decree poverty, misery, and decay. That an increasing percentage of the wealth of the world is not enjoyed by those who produce it the preceding pages indicate. That this must be true is demonstrated by deductive as well as by inductive logic. For there are only three possible claimants to the wealth that is produced: the landlord, the capitalist, and the wage-earner. If an increasing share goes to rent, the returns of capital and labor must be reduced *pro tanto*. According to the United States Census the wealth produced in 1900 amounted to \$18,540,345,312. This included all kinds of farm products, the output of the mines and of manu-

facturing plants.¹ The per capita wealth produced was \$234.04, or \$1,170.20 for every family of five in the country. This was all there was to be distributed. We have seen that the land values of the country, including as land values the sites of the railroads and public service corporations, are at least \$40,000,000,000. They probably exceed \$60,000,000,000. Manifestly these values can only exist because they yield an income which warrants this valuation, which, calculated at five per cent., amounts to from \$2,000,000,000 to \$3,000,000,000 per annum. This is land rent. It is the annual tribute of the unearned increment. It can only be paid from out the current production. The wealth to be divided between capital and labor is reduced by this charge.

At least \$2,000,000,000 more is taken through indirect taxes on consumption and the monopoly charges which the protected interests exact, while from \$500,000,000 to \$700,000,000 is appropriated by the railways and the public utility corporations in excess of a reasonable charge for the services which they render.

Out of the \$1,170.20 per family, at least \$300.00

¹The production of wealth was divided by the census as follows:

Farm products valued at	\$4,739,118,752
Mineral products valued at	796,826,417
Manufactured goods valued at	13,004,400,143
Total production	<u>\$18,540,345,312</u>

Twelfth Census of the United States, see Special Reports.

a year is taken in rent, consumption taxes, and monopoly charges. This estimate is conservative. I am convinced that the tribute thus exacted is not far from one-third of all of the wealth produced. It is probably in the neighborhood of an average of \$400.00 per family.

But the wage-worker does not receive anything like his per capita proportion of the wealth produced. The average wage is below \$450.00 a year. The census estimate, as we have seen, is but \$432.40. Yet the part of the wage-earner's income appropriated by privilege is undoubtedly in excess of one-third of his income. This is the cost, to those who toil, of the private ownerships of the land, and the control of the government by an economic class.

So long as these conditions continue the poor must become poorer, just as those who own the land and the resources and the public service corporations must of necessity grow richer. The growth of population insures this. Already millions are in poverty, while a score of millions have nothing save the morrow's wage between them and destitution. And with each passing day those on the dead-line of poverty must increase in number. From now on the standard of living of those who have nothing but their labor to sell must of necessity fall. To-morrow the purchasing power of wages will be less than it is to-day. So will the chance of employment. This is the inevitable result when

the land and the highways and the politics of a people are in the hands of an ascendant class. By a perfectly logical process, those who own the land will take all that the tax-gatherer does not. The landlord is the residual claimant of all that is produced.

That this is true is evidenced by the incomplete statistical data which we possess. Wages should have increased in recent years, but as we have seen they were actually lower by seven per cent. in 1900 than they were in 1890, while the cost of living had materially increased.¹ At the same time the earnings of one class and one class alone have increased. Rent increased 52.43 per cent. in Massachusetts in five years' time.² It is rapidly advancing all over the country. Railway gross earnings doubled in ten years, while the dividends of mine and franchise corporations have shown a similar advance. These are the privileged interests. Their earnings alone respond to the growth of population. All other classes, even the competitive capitalist, suffer by reason of it.

Among the unprivileged ones competition plays and plays fiercely. There is free trade among the producing classes. The tariff laws do not extend to those who toil. The doctrine of *laissez faire* is but slightly relieved by the trades-union. A million

¹ See chap. XV, "The Future of Labor."

² *Idem.*

incoming immigrants each year render the struggle that much the more remorseless. They, too, find the resources of the country appropriated, the land enclosed. They, too, are imprisoned by privilege, the privilege of those who own and the privilege of unjust taxation. The millions added by the birth rate make the struggle that much more hopeless, just as they make the tribute which privilege exacts that much the heavier.

Only the wage-earner and the farmer, the retail dealer and the unprotected manufacturer remain to give reality to the teachings of political economy. For it is only among these classes that competition plays.

To this burden of rent and of indirect taxes must be added another and an even more important element in determining the well-being of a people. Rent and taxation control the standard of living through distribution. But production is likewise strangled in the process, through the speculative withholding of the land and resources from use. This is the costliest burden of all. Labor could carry the burden of rent, it could carry the burdens of indirect taxation, were it free to employ itself where opportunity called or instinct suggested. But the private ownership of the land stifles talent, it limits capital no less than labor to the work which is nearest at hand. Not agriculture, not mining, not the elementary processes of production alone,

would be awakened by the freeing of the land from the hand of the speculator, but numberless other industries would come into life by the opening up of the resources of nature to be used by those who are most fitted to occupy them.

The cost of the processes which have been enumerated are the costs of poverty wherever it appears. Poverty means destitution, sickness, lack of education. It means undernourishment for the worker and his offspring. Poverty breeds vice and crime. Nine-tenths of the crime of the community is traceable directly or indirectly to industrial causes. It is social. It is from the poor of the community that the tramp and the vagrant are recruited, it is from this class that the workhouse is replenished. Poverty fills the streets with unfortunate women, the most pitiful wreckage of the city. It is poverty that breeds the criminal of to-morrow from the boys and girls on the streets to-day. They enter the sweat-shop and the department store while yet in tender years. They do not receive a living wage. They are worked to exhaustion. They are driven to the streets by hunger itself. They gladly accept the alternative of "a short life and a merry one" in exchange for all that hope holds out for them. Thus poverty is the mother of vice, of crime, of prostitution. And this wreckage is of our own making.

And it is apparent that the tide of poverty is con-

stantly rising. It engulfs one class after another. From the unskilled it passes on to the skilled laborer. From him it extends to the clerk and the small shopkeeper. In time, it laps at the feet of those who have heretofore enjoyed comparative security. Under existing conditions the tide of poverty cannot recede. It never will recede until the nation itself begins to ebb. For the line of poverty creeps up with the line of rent, slowly reducing the standard of living of all classes save those who own the land.

It is at this point that a nation begins to decay. A people without hope is a people without initiative. Ambition lives only with opportunity. Education, art, skill, literature, invention, are all postulated on economic well-being. The arts cannot live where the worker is compelled to struggle for the barest necessities of life. Political liberty itself is but a reflection of the economic foundations of a people. The same is true of industry. Culture and civilization mirror the industrial freedom or servitude of a nation. Men must be economically free before they can be much else. And this is impossible where the right to work is as hazardous, and the returns of the worker are as insignificant, as they are to-day.

Even industry is threatened by these conditions. The recent hard times were due to land speculation and the growth of rent. For capital is dependent upon the well-being of the working classes. A

people cannot buy if they are compelled to pay all that they produce for the mere right to be upon the earth. That is the condition of the tenement dwellers of our cities. It is the condition of the workers in the mines. It is rapidly becoming the condition of the agricultural worker as well. They are too poor to provide a market for industry. Ultimately the landlord will impoverish the capitalist class as well as the worker.

I am convinced that, under existing conditions, progressive industrial and social decay is a matter of a relatively short time. Just as a single loaf of bread commands everything save life itself between two starving men, so land, even in a nation like our own, will command famine prices as soon as it is all appropriated. It may be a generation before we face the problem in all its acuteness, but there is every indication that the burden of rent and the monopoly of the land have already started America on a downward path, not unlike that which older nations have followed. That science does not accept this explanation of social conditions, is no more remarkable than the refusal of the Church to accept the evolutionary hypotheses of Darwin and of Spencer: it is no more remarkable than the refusal of the plantation owners of the South to be convinced of the wrongness of human slavery; or of the protected industries to see the costly confusion of the tariff. All of the traditions of political

economy are founded upon the idea of private ownership of the land. As a science, it assumed form and shape in the land of all others where the land-owning classes are most dominant. Moreover, political science as well as jurisprudence is the heritage of twenty centuries of control by the landed classes. Added to these influences, all of the traditions of America are those of an immense and inexhaustible public domain, of free land in abundance to any one who wanted it. Woven in and out of the teachings and thought of the people is the idea that the private ownership of the land is sanctioned by the laws of nature if not of God. With these burdens of tradition, of class interest, of jurisprudence, and of ignorance, it is no wonder that political economy has been slow to challenge the idea of the private ownership of the land, or statesmen or political scientists to question its propriety.

Yet the experience of all history confirms this interpretation, an interpretation which is as remorseless in its logic as any proposition of Euclid. The effects of land monopoly, of the struggle of the people for its use, these, together with the effects of the rule of a class upon the destinies of a people, are to be seen in the history of all nations from the first recognition of private property in land. The right has been challenged by many thinkers, by social reformers and agitators in every age. It

is only in the present generation that universal suffrage, a free press, and representative government have made the challenge audible. Two recent French writers, examining the history of the Hebrew, Greek, and Roman peoples, say:

“A *regime* where there is no limit to the extension of individual property, no tempering of its enjoyment, no responsibility in its exercise, where interest and taxes take from labor the best of its produce, excludes the majority from the owning of any property. Then classes form. Their division becomes more marked, struggles break out, the invader arrives, and the nation is destroyed. This is the history of the republics of Greece, Carthage, and Rome. One people alone continues through all antiquity—the Hebrew people. It resists all time, survives even migration as a people. According to the Mosaic law, everything here below belongs to the Lord and man is but the user, obliged to conform to the conditions fixed by the divine order; conditions which have for their aim the assurance of the union of the land and the family, and to preserve to the needy a legitimate part of the resources of the earth.”¹

¹—*La Question Agraire*, by Meyer and Ardent, p. 12.