

## CHAPTER XV

### OTHER ITEMS IN THE FAMILY BUDGET

FOOD is but one item in the family budget, although it is the most important item so far as national vitality is concerned. Yet it is in food that economies must first be made. Rent must be paid to avoid eviction. The landlord is inexorable. Fuel must be had to keep from freezing. The worker and his family must be clothed, and the breadwinner must go and come from work by street-car no matter how little is left in the weekly pay envelope for food. So the worker reduces his rations. The investigations made in many cities show that the change for the worse in the dietary of the poor during these years of prosperity is of so serious a sort that the commonest necessities of a few years ago have become luxuries to millions of people. Meat is a rarity, and only the cheapest varieties can be purchased at all. Eggs at 50 cents a dozen are reserved for the sick, and milk at 12 cents a quart is doled out only to the babies, if obtainable at all. The high cost of food means a reduced diet all around.

The other items of first importance in every family budget are rent, fuel, clothing, and some pro-

vision for sickness. Rents are rising and rising rapidly. The increase in rents in New York during the spring of 1917 was on the basis of 10 per cent. all around. Now, increase in rents are primarily traceable to increasing land values, and year by year the land values of the city increase with population and industry. They are a social product. The annual increment to the value of land underlying New York City is in the neighborhood of \$150,000,000. The ground-rents of the average city amount to from \$150 to \$250 a family. The total ground-rent in the city of New York is approximately \$200,000,000. Year by year the tribute exacted by the ground-landlord increases, and year by year the standard of living of the people is reduced.

Ground-rents of every kind are passed on to the consumer. The great department store which pays a quarter of a million dollars ground-rent for a piece of land which a generation ago was used as a cow-pasture, passes the rental on to the buyer just as the tenement-owner passes it on to the tenant. And rent approximates about one-third of the average worker's income, of which from one-third to one-half goes to the landowner, who grows richer year by year by the increase of population and the growth of society.

Increasing land values levy tribute on the worker and the consumer at every turn. They grow while

he sleeps. The value of the land underlying a city is increased by every baby that is born. At a hearing before a committee of the Assembly of the State of New York during the winter of 1917, a representative of the real-estate interests of New York City protested against any tolerance being shown the advocates of birth control among the poor, and gave as his reasons for opposing a bill permitting the dissemination of information that every baby born in the metropolis added \$1,000 to the value of the land. The baby, rich or poor, was born into the world with a permanent mortgage on its efforts of \$50 a year, or five times that sum when he became the head of a normal family of five.

Other costs have gone up. Coal reached famine prices in almost every city in the country during the winter of 1916-17. It shot up from \$3 to \$6, and even \$12 a ton. The increase probably averaged from 50 to 100 per cent. all over the country. In the city of New York coal prices were almost prohibitive. Yet the anthracite coal-fields are but a few hours away, and despite the shortage of labor many coal companies reported that they had mined more coal than in the preceding year. All through the West the same was true. Prices were doubled and trebled. Factories closed down for lack of fuel. Cities were without coal. Yet the Middle West is underlaid with coal, and the miners who had received an increase in wages but a few

months before called for a second conference and demanded a further increase because they were unable to work more than two or three days a week. This was due to a general shortage of cars and the inability of many operators to secure any cars at all. The tribute of the coal barons is a tribute of land monopoly just as is the ground-rent of the city.

Railway transportation costs the nation nearly \$4,000,000,000 a year, or nearly \$200 for every family of five. This is a burden which the worker carries. It amounts on the average to one-quarter of the wage of the workers of the country. And transportation costs are ultimately paid by the consumer. They come out of the pay envelope of persons of small means. For the great bulk of the freight of the country is on staple articles of universal consumption.

The house in which the worker lives pays tribute to the lumber trust which owns or controls 105,000,000 acres of timber-land. The worker pays tribute to the steel trust for the apartment in which he lives. Food, fuel, rent, lumber, and lumber products; all kinds of clothing, shoes, almost every article of universal consumption has steadily increased in price during the past three years until the persons living on a fixed income, teachers, clerks, professional men, are far worse off than they were ten years ago, while the millions of men and women

working for a wage, and who have received even a substantial increase in incomes are relatively poorer than they were before.<sup>1</sup>

Why is it that the gains in wealth creation, the marvellous inventions, the harnessing of power, the increase in labor productivity more rapid than in any previous age in history, should have passed by all but a small handful of persons? Why should a generation have so altered conditions that 2 per cent. of the people own 60 per cent. of the wealth of the country? Why should the advance in civilization mean such a terrible burden to the great bulk of our people when the wealth produced each year is greater than the accumulated wealth of the United States but thirty-five years ago? In 1916 we produced \$45,000,000,000 of wealth. That is \$450 a person, or \$2,250 for every family in the country. It is a sum adequate to raise a family in comfort even at the present high cost of the necessities of life. The explanation is not found in the increased cost of labor, for the total wages paid in the United States in 1916 amounted to but \$5,320,000,000, or 11 per cent. of the total wealth produced. And despite the increase in wages, the wealth produced per man has increased far more rapidly than the increase in wage. In fact, it is a commonplace

<sup>1</sup> As shown in Chapter III, wages have increased not more than 18 per cent. during the past two years, while the cost of living, based upon sixty articles of universal use, has gone up 85.32 per cent.

of experience that high wages usually mean low labor cost. Nor is the explanation to be found in the exhaustion of natural resources, or a demand far in excess of the supply. Some changes have taken place in our life during the past generation that intercept the gains which should have come to society from the marvellous discoveries, inventions, and increase in production.

The explanation is to be found in monopoly which has become all-pervasive. It has entered into almost every industry and controls almost every necessity of life. And an examination of the more important items in the family budget enumerated above shows that the control of the land and the natural resources of the nation is the most important monopoly of all. It involves food, fuel, lumber, building materials, iron, steel, copper. It involves the land underlying the city, the sites of our homes whether we own or rent them, whether in the city or the country. To-day the resources of America are under the control of a group of monopolies and trusts while the land is kept out of use by the prohibitive prices at which it is held.

Monopoly of natural resources and with it the denial of opportunity to work and monopoly of transportation are the primary causes of the increase in the cost of living, of the necessities and comforts of life. The monopoly of land, of fuel, timber, and other natural products can be reached by taxation.

These it will open up to use while the transportation monopoly can only be solved by public ownership and the substitution of the idea of service in this important agency for the idea of profits.