

CHAPTER 2 THE PERSISTENCE OF POVERTY AMID ADVANCING WEALTH

Our inquiry is
ended.

The great problem, of which these recurring seasons of industrial depression are but peculiar manifestations, is now, I think, fully solved, and the social phenomena which all over the civilized world appall the philanthropist and perplex the statesman, which hang with clouds the future of the most advanced races, and suggest doubts of the reality and ultimate goal of what we have fondly called progress, are now explained.

The reason why, with increase of productive power, wages tend to a minimum, is that, with increase in productive power, rent tends to even greater increase.

The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living, is that, with increase in productive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages.

In every direction, the direct tendency of advancing civilization is to increase the power of human labor to satisfy human desires—to extirpate poverty, and to banish want and the fear of want. All the things in which progress consists, all the conditions which progressive communities are striving for, have for their direct and natural result the improvement of the material (and consequently the intellectual and moral) condition of all within their influence. The growth of population, the increase and extension of exchanges, the discoveries of science, the march of invention, the spread of

education, the improvement of government, and the amelioration of manners, considered as material forces, have all a direct tendency to increase the productive power of labor—not of some labor, but of all labor; not in some departments of industry, but in all departments of industry; for the law of the production of wealth in society is the law of “each for all, and all for each.”

But labor cannot reap the benefits which advancing civilization thus brings, because they are intercepted. Land being necessary to labor, and being reduced to private ownership, every increase in the productive power of labor but increases rent—the price that labor must pay for the opportunity to utilize its powers; and thus all the advantages gained by the march of progress go to the owners of land, and wages do not increase. Wages cannot increase; for the greater the earnings of labor the greater the price that labor must pay out of its earnings for the opportunity to make any earnings at all. The mere laborer has thus no more interest in the general advance of productive power than the Cuban slave has in advance in the price of sugar. And just as an advance in the price of sugar may make the condition of the slave worse, by inducing the master to drive him harder, so may the condition of the free laborer be positively, as well as relatively, changed for the worse by the increase in the productive power of his labor. For, begotten of the continuous advance of rents, arises a speculative tendency which discounts the effect of future improvements by a still further advance of rent, and thus tends, where this has not occurred from the normal advance of rent, to drive wages down to the slave point—the point at which the laborer can just live.

And thus robbed of all the benefits of the increase in productive power, labor is exposed to certain effects of advancing civilization which, without the advantages that naturally accompany them, are positive evils, and of them-

Progress tends to increase the productive power of all labor, in all departments of industry.

But the benefits of advancing civilization are intercepted by the owners of land.

The speculative advance of rents tends to actually drive wages lower.

Because most advances involve further subdivision of labor, the individual laborer knows but an infinitesimal part of how the wealth is produced.

Although a savage tribe can produce relatively little, each member is capable of an independent life.

But in a civilized society, a laborer in the lowest ranks cannot even make the tools required for his work and often works with tools he can never hope to own.

selves tend to reduce the free laborer to the helpless and degraded condition of the slave.

For all improvements which add to productive power as civilization advances consist in, or necessitate, a still further subdivision of labor, and the efficiency of the whole body of laborers is increased at the expense of the independence of the constituents. The individual laborer acquires knowledge of and skill in but an infinitesimal part of the varied processes which are required to supply even the commonest wants. The aggregate produce of the labor of a savage tribe is small, but each member is capable of an independent life. He can build his own habitation, hew out or stitch together his own canoe, make his own clothing, manufacture his own weapons, snares, tools and ornaments. He has all the knowledge of nature possessed by his tribe—knows what vegetable productions are fit for food, and where they may be found; knows the habits and resorts of beasts, birds, fishes, and insects; can pilot himself by the sun or the stars, by the turning of blossoms or the mosses on the trees; is, in short, capable of supplying all his wants. He may be cut off from his fellows and still live; and thus possesses an independent power which makes him a free contracting party in his relations to the community of which he is a member.

Compare with this savage the laborer in the lowest ranks of civilized society, whose life is spent in producing but one thing, or oftener but the infinitesimal part of one thing, out of the multiplicity of things that constitute the wealth of society and go to supply even the most primitive wants; who not only cannot make even the tools required for his work, but often works with tools that he does not own, and can never hope to own. Compelled to even closer and more continuous labor than the savage, and gaining by it no more than the savage gets—the mere necessities of life—he loses the

independence of the savage. He is not only unable to apply his own powers to the direct satisfaction of his own wants, but, without the concurrence of many others, he is unable to apply them indirectly to the satisfaction of his wants. He is a mere link in an enormous chain of producers and consumers, helpless to separate himself, and helpless to move, except as they move. The worse his position in society, the more dependent is he on society; the more utterly unable does he become to do anything for himself. The very power of exerting his labor for the satisfaction of his wants passes from his own control, and may be taken away or restored by the actions of others, or by general causes over which he has no more influence than he has over the motions of the solar system. The primeval curse comes to be looked upon as a boon, and men think, and talk, and clamor, and legislate as though monotonous manual labor in itself were a good and not an evil, an end and not a means. Under such circumstances, the man loses the essential quality of manhood—the godlike power of modifying and controlling conditions. He becomes a slave, a machine, a commodity—a thing, in some respects, lower than the animal.

I am no sentimental admirer of the savage state. I do not get my ideas of the untutored children of nature from Rousseau, or Chateaubriand, or Cooper. I am conscious of its material and mental poverty, and its low and narrow range. I believe that civilization is not only the natural destiny of man, but the enfranchisement, elevation, and refinement of all his powers, and think that it is only in such moods as may lead him to envy the cud-chewing cattle, that a man who is free to the advantages of civilization could look with regret upon the savage state. But, nevertheless, I think no one who will open his eyes to the facts can resist the conclusion that there are in the heart of our civilization large classes with

He cannot supply his own wants and requires the concurrence of many others to produce anything.

The very power of exerting his labor for the satisfaction of his wants passes from his control, and men think as though monotonous manual labor in itself were a good and not an evil.

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whom the veriest savage could not afford to exchange. It is my deliberate opinion that if, standing on the threshold of being, one were given the choice of entering life as a Tierra del Fuegan, a black fellow of Australia, an Esquimau in the Arctic Circle, or among the lowest classes in such a highly civilized country as Great Britain, he would make infinitely the better choice in selecting the lot of the savage. For those classes who in the midst of wealth are condemned to want, suffer all the privations of the savage, without his sense of personal freedom; they are condemned to more than his narrowness and littleness, without opportunity for the growth of his rude virtues; if their horizon is wider, it is but to reveal blessings that they cannot enjoy.

There are some to whom this may seem like exaggeration, but it is only because they have never suffered themselves to realize the true condition of those classes upon whom the iron heel of modern civilization presses with full force. As De Tocqueville observes, in one of his letters to Mme. Swetchine, "we so soon become used to the thought of want that we do not feel that an evil which grows greater to the sufferer the longer it lasts becomes less to the observer by the very fact of its duration"; and perhaps the best proof of the justice of this observation is that in cities where there exists a pauper class and a criminal class, where young girls shiver as they sew for bread, and tattered and barefooted children make a home in the streets, money is regularly raised to send missionaries to the heathen! Send missionaries to the heathen! It would be laughable if it were not so sad. Baal no longer stretches forth his hideous, sloping arms; but in Christian lands mothers slay their infants for a burial fee! And I challenge the production from any authentic accounts of savage life of such descriptions of degradation as are to be

found in official documents of highly civilized countries—in reports of sanitary commissioners and of inquiries into the condition of the laboring poor.

The simple theory which I have outlined (if indeed it can be called a theory which is but the recognition of the most obvious relations) explains this conjunction of poverty with wealth, of low wages with high productive power, of degradation amid enlightenment, of virtual slavery in political liberty. It harmonizes, as results flowing from a general and inexorable law, facts otherwise most perplexing, and exhibits the sequence and relation between phenomena that without reference to it are diverse and contradictory. It explains why interest and wages are higher in new than in older communities, though the average, as well as the aggregate, production of wealth is less. It explains why improvements which increase the productive power of labor and capital increase the reward of neither. It explains what is commonly called the conflict between labor and capital, while proving the real harmony of interest between them. It cuts the last inch of ground from under the fallacies of protection, while showing why free trade fails to benefit permanently the working classes. It explains why want increases with abundance, and wealth tends to greater and greater aggregations. It explains the periodically recurring depressions of industry without recourse either to the absurdity of “overproduction” or the absurdity of “overconsumption.” It explains the enforced idleness of large numbers of wouldbe producers, which wastes the productive force of advanced communities, without the absurd assumption that there is too little work to do or that there are too many to do it. It explains the ill effects upon the laboring classes which often follow the introduction of machinery, without denying the natural advantages which the use of machinery gives. It explains the vice and

The theory which I have outlined explains this conjunction of degradation amid enlightenment. It harmonizes facts otherwise most perplexing. It explains why interest and wages are higher in new than in older communities, though the average production of wealth is less. It explains the apparent conflict between labor and capital. It shows the fallacies of protection while showing why free trade fails to benefit the working classes. It explains the periodically recurring depressions without recourse to absurdity.

misery which show themselves amid dense population, without attributing to the laws of the All-Wise and All-Beneficent defects which belong only to the shortsighted and selfish enactments of men.

This explanation is in accordance with all the facts.

Look over the world today. In countries the most widely differing—under conditions the most diverse as to government, as to industries, as to tariffs, as to currency—you will find distress among the working classes; but everywhere that you thus find distress and destitution in the midst of wealth you will find that the land is monopolized; that instead of being treated as the common property of the whole people, it is treated as the private property of individuals; that, for its use by labor, large revenues are extorted from the earnings of labor. Look over the world today, comparing different countries with each other, and you will see that it is not the abundance of capital or the productiveness of labor that makes wages high or low; but the extent to which the monopolizers of land can, in rent, levy tribute upon the earnings of labor. Is it not a notorious fact, known to the most ignorant, that new countries, where the aggregate wealth is small, but where land is cheap, are always better countries for the laboring classes than the rich countries, where land is dear? Wherever you find land relatively low, will you not find wages relatively high? And wherever land is high, will you not find wages low? As land increases in value, poverty deepens and pauperism appears. In the new settlements, where land is cheap, you will find no beggars, and the inequalities in condition are very slight. In the great cities, where land is so valuable that it is measured by the foot, you will find the extremes of poverty and of luxury. And this disparity in condition between the two extremes of the social scale may always be measured by the price of land. Land

It is in accordance with all the facts.

Comparing different countries in the world today, wherever land is relatively low, are not wages relatively high?

As land increases in value, poverty deepens and pauperism appears.

in New York is more valuable than San Francisco; and in New York, the San Franciscan may see squalor and misery that will make him stand aghast. Land is more valuable in London than in New York; and in London, there is squalor and destitution worse than that of New York.

Compare the same country in different times, and the same relation is obvious. As the result of much investigation, Hallam says he is convinced that the wages of manual labor were greater in amount in England during the Middle Ages than they are now. Whether this is so or not, it is evident that they could not have been much, if any, less. The enormous increase in the efficiency of labor, which even in agriculture is estimated at seven or eight hundred per cent., and in many branches of industry is almost incalculable, has only added to rent. The rent of agricultural land in England is now, according to Professor Rogers, 120 times as great, measured in money, as it was 500 years ago, and 14 times as great, measured in wheat; while in the rent of building land, and mineral land, the advance has been enormously greater. According to the estimate of Professor Fawcett, the capitalized rental value of the land of England now amounts £4,500,000,000, or \$21,870,000,000—that is to say, a few thousand of the people of England hold a lien upon the labor of the rest, the capitalized value of which is more than twice as great as, at the average price of southern Negroes in 1860, would be the value of her whole population were they slaves.

In Belgium and Flanders, in France and Germany, the rent and selling price of agricultural land have doubled within the last thirty years¹. In short, increased power of production has everywhere added to the value of land; nowhere has it added

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¹“Systems of Land Tenure,” published by the Cobden Club.

to the value of labor; for though actual wages may in some places have somewhat risen, the rise is clearly attributable to other causes. In more places they have fallen—that is, where it has been possible for them to fall—for there is a minimum below which laborers cannot keep up their numbers. And, everywhere, wages, as a proportion of the produce, have decreased.

How the Black Death brought about the great rise of wages in England in the fourteenth century is clearly discernible, in the efforts of the landholders to regulate wages by statute. That that awful reduction in population, instead of increasing, really reduced the effective power of labor, there can be no doubt; but the lessening of competition for land still more greatly reduced rent, and wages advanced so largely that force and penal laws were called in to keep them down. The reverse effect followed the monopolization of land that went on in England during the reign of Henry VIII, in the inclosure of commons and the division of the church lands between the panders and parasites who were thus enabled to found noble families. The result was the same as that to which a speculative increase in land values tends. According to Malthus (who, in his *Principles of Political Economy*, mentions the fact without connecting it with land tenures), in the reign of Henry VII, half a bushel of wheat would purchase but little more than a day's common labor, but in the latter part of the reign of Elizabeth, half a bushel of wheat would purchase three days' common labor. I can hardly believe that the reduction in wages could have been so great as this comparison would indicate; but that there was a reduction in common wages, and great distress among the laboring classes, is evident from the complaints of “sturdy vagrants” and the statutes made to suppress them. The rapid monopolization of the land, the carrying of the speculative

The Black Death reduced the effective power of labor, but more greatly reduced rent, and wages advanced.

The reverse effect followed the monopolization of land, with the labor needed to buy one-half bushel of wheat increasing from 1 day to three days.

rent line beyond the normal rent line, produced tramps and paupers, just as like effects from like causes have lately been evident in the United States.

“Land which went heretofore for twenty or forty pounds a year,” said Hugh Latimer, “now is let for fifty or a hundred. My father was a yeoman, and had no lands of his own; only he had a farm at a rent of three or four pounds by the year at the uttermost, and thereupon he tilled so much as kept half a dozen men. He had walk for a hundred sheep, and my mother milked thirty kine; he was able and did find the King a harness with himself and his horse when he came to the place that he should receive the King's wages. I can remember that I buckled his harness when he went to Blackheath Field. He kept me to school; he married my sisters with five pounds apiece, so that he brought them up in godliness and fear of God. He kept hospitality for his neighbors and some alms he gave to the poor. And all this he did of the same farm, where he that now hath it payeth sixteen pounds rent or more by year, and is not able to do anything for his Prince, for himself, nor his children, nor to give a cup of drink to the poor.”

Hugh Latimer saw this effect during his lifetime.

“In this way,” said Sir Thomas More, referring to the ejection of small farmers which characterized this advance of rent, “it comes to pass that these poor wretches, men, women, husbands, orphans, widows, parents with little children, householders greater in number than in wealth, all of these emigrate from their native fields, without knowing where to go.”

as did Sir Thomas More.

And so from the stuff of the Latimers and Mores from the sturdy spirit that amid the flames of the Oxford stake cried, “Play the man, Master Ridley!” and the mingled strength and sweetness that neither prosperity could taint nor the ax of the executioner abash—were evolved thieves and vagrants, the mass of criminality and pauperism that still blights the

innermost petals and preys a gnawing worm at the root of England's rose.

But it were as well to cite historical illustrations of the attraction of gravitation. The principle is as universal and as obvious. That rent must reduce wages, is as clear as that the greater the subtractor the less the remainder. That rent does reduce wages, any one, wherever situated, can see by merely looking around him.

There is no mystery as to the cause which so suddenly and so largely raised wages in California in 1849, and in Australia in 1852. It was the discovery of the placer mines in unappropriated land to which labor was free that raised the wages of cooks in San Francisco restaurants to \$500 a month, and left ships to rot in the harbor without officers or crew until their owners would consent to pay rates that in any other part of the globe seemed fabulous. Had these mines been on appropriated land, or had they been immediately monopolized so that rent could have arisen, it would have been land values that would have leaped upward, not wages. The Comstock lode has been richer than the placers, but the Comstock lode was readily monopolized, and it is only by virtue of the strong organization of the Miners' Association and the fears of the damage which it might do, that enables men to get four dollars a day for parboiling themselves two thousand feet underground, where the air that they breathe must be pumped down to them. The wealth of the Comstock lode has added to rent. The selling price of these mines runs up into hundreds of millions, and it has produced individual fortunes whose monthly returns can be estimated only in hundreds of thousands, if not in millions. Nor is there any mystery about the cause which has operated to reduce wages in California from the maximum of the early days to very nearly a level

The principal is universal and obvious.

It is obvious that the reason wages rose in California in 1849, and Australia in 1852, was discovery of placer mines in unappropriated land which labor could use for free.

The Comstock lode has been richer than the placers, but was readily monopolized and so its wealth was added to rent.

with wages in the eastern states, and that is still operating to reduce them. The productiveness of labor has not decreased, on the contrary it has increased, as I have before shown; but, out of what it produces labor has now to pay rent. As the placer deposits were exhausted, labor had to resort to the deeper mines and to agricultural land, but monopolization of these being permitted, men now walk the streets of San Francisco ready to go to work for almost anything—for natural opportunities are now no longer free to labor.

The truth is self-evident. Put to any one capable of consecutive thought this question:

“Suppose there should arise from the English Channel or the German Ocean a no man's land on which common labor to an unlimited amount should be able to make ten shillings a day and which should remain unappropriated and of free access, like the commons which once comprised so large a part of English soil. What would be the effect upon wages in England?”

He would at once tell you that common wages throughout England must soon increase to ten shillings a day.

And in response to another question, “What would be the effect on rents?” he would at a moment's reflection say that rents must necessarily fall; and if he thought out the next step he would tell you that all this would happen without any very large part of English labor being diverted to the new natural opportunities, or the forms and direction of industry being much changed; only that kind of production being abandoned which now yields to labor and to landlord together less than labor could secure on the new opportunities. The great rise in wages would be at the expense of rent.

Take now the same man or another—some hardheaded business man, who has no theories, but knows how to make money. Say to him: “Here is a little village; in ten years it will

The truth is self-evident. Just ask anyone capable of consecutive thought what would happen to wages if new land appears on which anyone may make 10 shillings per day.

Wages would rise at the expense of rent.

be a great city—in ten years the railroad will have taken the place of the stage coach, the electric light of the candle; it will abound with all the machinery and improvements that so enormously multiply the effective power of labor. Will, in ten years, interest be any higher?”

He will tell you, “No!”

“Will the wages of common labor be any higher; will it be easier for a man who has nothing but his labor to make an independent living?”

He will tell you, “No; the wages of common labor will not be any higher; on the contrary, all the chances are that they will be lower; it will not be easier for the mere laborer to make an independent living; the chances are that it will be harder.”

“What, then, will be higher?”

“Rent; the value of land. Go, get yourself a piece of ground, and hold possession.”

And if, under such circumstances, you take his advice, you need do nothing more. You may sit down and smoke your pipe; you may lie around like the lazzaroni of Naples or the leperos of Mexico; you may go up in a balloon, or down a bole in the ground; and without doing one stroke of work, without adding one iota to the wealth of the community, in ten years you will be rich! In the new city you may have a luxurious mansion; but among its public buildings will be an almshouse.

In all our long investigation we have been advancing to this simple truth: That as land is necessary to the exertion of labor in the production of wealth, to command the land which is necessary to labor, is to command all the fruits of labor save enough to enable labor to exist. We have been advancing as through an enemy's country, in which every step must be secured, every position fortified, and every bypath explored; for this simple truth, in its application to social and political

Or ask what will happen to wages, interest, and rent as a small village grows into a great city. Rent will increase, not wages nor interest.

We have been advancing as through an enemy's country, in which every step must be secured, to show a truth

problems, is hid from the great masses of men partly by its very simplicity, and in greater part by widespread fallacies and erroneous habits of thought which lead them to look in every direction but the right one for an explanation of the evils which oppress and threaten the civilized world. And back of these elaborate fallacies and misleading theories is an active, energetic power, a power that in every country, be its political forms what they may, writes laws and molds thought—the power of a vast and dominant pecuniary interest.

But so simple and so clear is this truth, that to see it fully once is always to recognize it. There are pictures which, though looked at again and again, present only a confused labyrinth of lines or scroll work—a landscape, trees, or something of the kind—until once the attention is called to the fact that these things make up a face or a figure. This relation once recognized, is always afterward clear. It is so in this case. In the light of this truth all social facts group themselves in an orderly relation, and the most diverse phenomena are seen to spring from one great principle. It is not in the relations of capital and labor; it is not in the pressure of population against subsistence, that an explanation of the unequal development of our civilization is to be found. The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people. And it must be so. For land is the habitation of man, the storehouse upon which he must draw for all his needs, the material to which his labor must be applied for the supply of all his desires; for even the products of the sea cannot be taken, the light of the sun enjoyed, or any of the forces of nature utilized, without

hidden from the masses partly by its very simplicity, and in greater part by widespread fallacies behind which is a vast and dominant pecuniary interest.

But so simple and clear is this truth, that to see it fully once is to always recognize it.

The ownership of land is the great fundamental fact which ultimately determines the social, political, intellectual, and moral condition of a people.

Material progress cannot rid us of our dependence upon land.

Everywhere and always, possession of land is the base of aristocracy, the source of power.

the use of land or its products. On the land we are born, from it we live, to it we return again—children of the soil as truly as is the blade of grass or the flower of the field. Take away from man all that belongs to land, and he is but a disembodied spirit. Material progress cannot rid us of our dependence upon land; it can but add to the power of producing wealth from land; and hence, when land is monopolized, it might go on to infinity without increasing wages or improving the condition of those who have but their labor. It can but add to the value of land and the power which its possession gives. Everywhere, in all times, among all peoples, the possession of land is the base of aristocracy, the foundation of great fortunes, the source of power. As said the Brahmins, ages ago—

“To whomsoever the soil at any time belongs, to him belong the fruits of it. White parasols and elephants mad with pride are the flowers of a grant of land.”