

CHAPTER XIII

“FROM HIM THAT HATH NOT SHALL BE TAKEN
AWAY EVEN THAT WHICH HE HATH”

JUST as, under the feudal *regime*, the first-fruits of the field were taken by the lord of the manor as a tribute of his lordship, so to-day the owners of the land take from those who toil a tribute in the form of rent as an evidence of the same servitude. Ground-rent is the continuing badge of feudal servitude; a servitude which has come down to us from the dark ages when force ruled the world. The worker of to-day differs from the serf of the Middle Ages in the form of the payment. Rent is the money equivalent of the personal services of earlier days. But despite the change which has taken place in the form of the tribute, the mass of the people are still subject to the most costly incidents which feudalism involved.

We are now in a position to measure the tribute which must be paid to those who own the land. That which we can see runs into the thousands of millions of dollars each year. It exceeds by hundreds of millions all of the taxes paid to the nation, the states, and the cities. It equals the combined labor of America's 16,000,000 men at three

dollars a day for at least fifty days in every year. To-morrow it will be more than it is to-day. Long before another generation passes it will be more than doubled. For agricultural rent is just beginning to grow. All land now has a monopoly value. The rent to be paid must rise in consequence, for rent is fixed by the demand for its use.

We have seen that the value of the land underlying the city of New York is \$3,843,165,597. The annual rent which its owners receive is not far from \$200,000,000. And this mine which underlies the city is inexhaustible. The treasure which is taken out to-day in no way diminishes the treasure which may be taken out to-morrow. Only those who labor are the poorer because of its payment. They are carrying an annual burden greater than the total interest charge on the national debt at the close of the Civil War. And this is a charge which is prior to all others. It is collected far more accurately than are the taxes of government. It must be met before any other activity is possible. All of the people of the metropolis and, in a sense, all of the people of America are subject to this money tribute. It is exacted in the slum as it is upon the avenue; it is collected from the office building as it is from the tenement. It is a burden upon all industry as it is upon all wages. It enters into the cost of every commodity. It is the heaviest charge on the life of the people. Ground-rent

is the largest single item in the domestic budget and it is all paid by labor.

It is the colossal land values of the city of New York that drive up rents on the East Side; it is the burden of rent that explains the 60,463 annual evictions in the borough of Manhattan, and the fact that one in every ten persons who die in New York is buried at public expense in the potter's field.¹ It is this that explains the thousands of persons who nightly wait on lower Broadway for a crust of bread. The rent charge of the metropolis is equivalent to a per-capita burden of over \$50 per annum upon every man, woman, and child in the city. It amounts to from \$200 to \$250 a family.

The wealth with which the ancient estates of England are being rehabilitated is being wrung from the sweated labor of the East Side of New York. It is the labor of America that is endowing colleges and universities and libraries. It is from the meagre wages of the most destitute of God's creatures that the privileged classes of Europe and America maintain themselves in luxury. Everywhere and in every age private ownership of the land means aristocracy. Everywhere, too, it means poverty. Everywhere it means a more relentless struggle for existence, and a constantly

¹ *Poverty*, Robert Hunter, pp. 24 and 25. The number of evictions is for the year 1903.

falling standard of living and ultimate national decay.

To-day all America and, in a sense, all of the world, is paying tribute to the baronial owners of the land which underlies the Empire City. At a thousand dollars a year a man must work ten full centuries to earn one million dollars. Ten thousand men at such wages must work half a lifetime to pay a single year's rent of the people of New York. Two hundred thousand men from the workers of the metropolis must work for ten long years, ten hours a day, and three hundred days every year to pay the annual incomes of the few thousand men who own the land underlying the city. The most ruthless Roman governors sent out to govern her subject provinces enjoyed no such colossal tribute, and worked no greater devastation upon subject peoples than that which is annually inflicted upon the free citizenship of America's greatest city. No wonder the vestibule of the new world presents a spectacle of degraded poverty to the million immigrants who annually crowd to America to escape from the burden of landlordism in foreign lands.

That which is true of the city of New York is true wherever mankind has come together in great cities. The annual increment in the value of city land has created and is creating fortunes whose colossal proportions so far exceed the needs of their

owners that the annual excess is used for the purchase of still greater holdings.¹

But rent is not limited to the agricultural tenant or the slum dweller. It is paid upon the iron, the coal, the oil, and the gas sites as well. Rent is the annual value which arises from the superior advantages which one piece of land enjoys over another. It may be a corner lot on Broadway, a placer mine in distant Alaska, a lode of gold or silver 10,000 feet above the sea in the Cripple Creek regions. It may be a great deposit of Bessemer ore or of anthracite coal. The values which the mineral lands enjoy are identical with the land

¹ In 1900 the value of the land in the city of Philadelphia amounted to \$978,259,355. (Bulletin of Bureau of Labor, January, 1904, p. 106.) At five per cent. per annum, this is equivalent to an annual charge of \$44,000,000. It is a burden of over \$200 upon the backs of every family of five in the city. In fifteen years' time the land underlying the city increased in value by \$291,545,527, or at the rate of \$19,500,000 per year. The value of the bare land in the city of Boston, together with the franchises of the public service corporations, amounted to \$842,600,000 in 1902. For five years the average per annum increase was \$21,753,000, or three and three-quarters million dollars more than the annual revenues of the city. In nineteen years' time the land in San Francisco increased \$175,000,000 in value, or \$9,218,254 a year. This was nearly four millions a year more than the total taxes of the city. In the city of Washington the minimum increase in the value of the land was \$10,000,000 a year, or \$2,000,000 more than all of the expenditure of the city. If the naked land underlying these cities is worth these sums, it is because human labor is paying rent which is equivalent to the customary rate of interest on capital. City by city the exhibit is the same. The annual increase in the value of the land alone exceeds all of the expenditures of the community. The speculative increase in values might all be taken in taxes and still the owners would be richer each year than they were the year before.

values of the country and the city. They spring from no labor of the owner. They arise from no skill of man. Only the necessities of humanity give them a value, a value which increases with every social activity. And the value which they enjoy is a mortgage on labor, a mortgage as scrupulously collected as any government bond. The capitalization of \$800,000,000 placed upon the iron-ore and coal lands of the Steel Corporation is only possible because of the profits which the trust may take from the people of America in the form of rent. The franchises of the public service corporations of the city of New York have a value in the market of many hundreds of millions, only because of the exclusive rights which they enjoy upon the streets, rights which enable their owners to collect from the labor of the metropolis from forty to fifty million dollars a year in excess profits. If the anthracite coal monopoly exacts from one to two hundred million dollars a year from its consumers in excess of the reasonable cost of producing 70,000,000 tons of coal, it is because the baronial owners of north-eastern Pennsylvania have been able to enclose one of the most precious sites on the globe, a site which yields them a rental of this amount every year.¹ If the railways of the coun-

¹In the days of free competition anthracite coal sold at from \$2.55 to \$3.00 a ton at seaboard.—*The Anthracite Coal Industry*, Roberts, p. 74. It now sells for twice the figure.

try are capitalized at from five to seven billions more than their reasonable cost of construction, it is because the labor of the nation in some form or other is paying dividends upon that sum.

The gross earnings of the railways of America have doubled in ten years' time. The roads need only to provide the service for a need already existing. And the tribute which they collect is determined by the same necessity that forces up rents in the tenement districts of our cities. It is fixed by what humanity will bear.¹

It is not possible to know the value of the mineral deposits, of the coal and the iron, the copper and the oil, the gas, gold, and silver mines which are largely owned by the same syndicates which control the railways of the nation. We do know that the annual value of the mineral production of America amounted to \$2,069,289,196 in 1907.² Neither can we tell the amount of the tribute exacted by the street railways and the gas, the telephone,

¹ In 1906 the gross earnings of the railways of the country were \$2,346,000,000. The net earnings from operation were \$790,188,000. While the operating expenses increased only nine per cent. for the fiscal year, the net earnings increased over fifteen per cent. And it is probable that if we knew all of the ramifications of the railway business, all of the connections of railway directors with the express, the fast-freight, and the car lines; if we knew all of the hidden means employed by these sympathetic agencies, we should find the tribute imposed upon the nation by the owners of the highways in excess of a fair return for the service performed, is not far from three-quarters of a billion dollars a year.

² The United States Geological Survey, special report, 1908.

electricity, and the water companies. The value of the franchise corporations of the country is estimated by the Census Bureau at \$4,840,000,000. It is probable that the tribute which they exact in the form of rent for the sites which they occupy is from \$200,000,000 to \$400,000,000 a year; while that of the mine-owners exceeds the latter sum.

When we add together the site values of the cities, the unearned values of agricultural land, the franchise values of the railways, transportation, transmission, and public-service corporations, when to this is added the social value of all of the mineral resources of the nation, we have a grand total of social values of from forty to sixty billion dollars. We cannot tell how much it may exceed this sum. But from the investigations of the census, of the Interstate Commerce Commission, of the Geological Survey, and of city assessment records, we know enough to be sure that the above estimate is low. The unearned increment probably amounts to \$1,000 per capita for every man, woman, and child in the country. This would give an aggregate social value of over \$80,000,000,000. The assessed value of the land and the franchises alone in New York City amounts to \$980, and in Manhattan borough to \$1,376 per capita. In Boston the assessed value of the land and the franchises amounts to \$1,100 per capita. These values do not include

the railways and the mineral resources of the country, but only the values of the city sites.

Upon this colossal sum the labor of America is paying rent of from three to four billion dollars a year. It amounts to from forty to fifty dollars per capita, and from two hundred to two hundred and fifty dollars per family. It is collected in a thousand different ways. It enters into the cost of every commodity. It reduces the standard of living of all classes. And this tribute is all paid by labor; not by labor of the wage-earner alone, but by the labor of the professional man, the teacher, the capitalist, and manufacturer. Alike, they are all despoiled by the landlord. For rent can come from no other source than labor. From out the annual income of the nation, the landlord is the first claimant to be satisfied. He and hunger compete in the annual division of the product.

It is the labor of America that is supporting the idle rich in the capitals of the world. It is labor paid in the medium of rent upon the coal and the iron-ore deposits of the United States Steel Corporation that enables the cities of America to be dotted with libraries, just as it is the rent for the oil, the copper, and the gas deposits that enables Mr. Rockefeller to promote philanthropy and endow great universities.

All society is yoked to those who own the land, who work not nor spin. It is not necessary that

they should work. For all mankind is working for them. Nature herself, who brings forth from each of its kind, labors for those whose income is proportionate to the resources which they have enclosed. Every useful activity adds in some way to the unearned increment of the land which is society's own product. The achievements of every walk of life are passed on and on until they finally lodge with those who have filled their strong-boxes with title-deeds of ownership of the gifts of God to all his creatures.

While poverty is explained by immigration, by improvident marriages, by the Malthusian law of population, by the drink evil, by the inequalities in the endowments of men, the real cause is nearer at hand. It is to be found in the burden of rent, which is slowly, but none the less finally, appropriating the surplus wealth of the people.

Among the mythological traditions of the ancient Greeks is the story of a wise and wealthy king whom the gods themselves delighted to honor. They permitted him to dine with Zeus, who loaded him with distinctions because of his wisdom. Yet the king presumed upon his privileges and favors. Not content with the honors which he enjoyed, he stole the food reserved for the gods. In other ways he transgressed the privileges of mortals. His crimes finally gave such offence to the gods, that he was condemned to eternal punishment in Tartarus, a

vast and gloomy expanse far below Hades itself. Here he was tortured by an ever-burning thirst. He was plunged into water up to the chin. When he sought to drink, the water receded from his parched lips. He was consumed with hunger. Just above him were tall trees; their spreading branches laden with delicious fruits hung temptingly over his head. But no sooner did he raise himself to seize them than a wind carried them beyond his reach. Thus Tantalus lived within easy reach of abundance with which to satisfy his wants, condemned, by his own unwisdom, to eternal hunger and thirst.

Free America, rich, wise, and endowed with resources more ample than all the rest of the earth, has ventured to violate the experience of all history and the teachings of all nature. She has abandoned the resources with which she was endowed to private monopoly.

Herein is the paradox of civilization; herein is the explanation of increasing poverty with increasing wealth; herein is the law of civilization and decay. For whatever the exertion of the worker, whatever the gains to production, they inevitably pass to those who own the soil. In time the growth of population will lead men to offer more than the land will produce for its use. They will offer this as a stay of execution, just as a condemned criminal seeks a reprieve from a death

penalty which he knows to be inevitable. For the increase in rent reduces the portion retained by labor, until it becomes less than life itself demands. Progressive impoverishment then sets in, and national decay results in national ruin.