

How Poverty Destroys
Civilization ¶ A summary
of 3 lectures delivered by John
M. Henry before the INGRAM
INSTITUTE, *San Diego, California*, 1930

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IS POVERTY NECESSARY? Let us define poverty to be the lack of food, shelter and clothing essential to the mere physical wants of human life. We leave out of consideration, therefore, the so-called cultural wage, which enables the individual to acquire those things which human beings desire after the mere animal wants slumber in satisfaction.

Despite our many institutions for the alleviation of poverty, we daily become conscious of the fact that there has been a steady increase in poverty going hand in hand with the increase of material wealth. Instead then, of discussing methods for the

How Poverty Destroys Civilization immediate relief of want, let our efforts be directed toward a consideration of the basic causes of poverty.

As long as we have great natural resources in our country and the labor to utilize those resources, there is no reason for poverty when we mean food, shelter and clothing adequate to sustain life. It is from natural resources—earth, air, sunshine and water—that all materials for food, shelter and clothing come, the instrumentality used in their production being man-power. Buildings, machinery, works of art and every object used by man come from natural resources after being fabricated and shaped by labor. All there is in the United States or any other nation is mankind and natural resources plus the products which man makes from natural resources by the application of joint or individual effort. The world is not complex. The complexity we talk about and worry about is of our own invention. The whole universe is uniformly and simply arranged as is daily shown by the discoveries of science. The need of education then is to evaluate the simple. When we go to the root of things to seek first causes we always find simplicity instead of complexity. Let us, therefore, deal with the basic causes of poverty and first settle the question as to whether or not poverty is necessary.

Certain errors have crept into our thought in relation to poverty, and have been used time and again in our political and economic thinking. It is asserted in various ways that every country has a limited wage fund and when there is an increase in population there naturally are less wages to go around, and therefore, increase of population produces poverty. Years ago, a man named Malthus enunciated the doctrine that population increases in a geometrical ratio, doubling all the time, while food increases only in an arithmetical ratio, that is in a progression, like 1, 2, 3, 4, etc., making population always tend to press subsistence. This cold, hard doctrine teaches that the law of nature

itself is responsible for the existence of poverty. These two errors must be analyzed before we can get down to fundamental thinking.

*How Poverty
Destroys
Civilization*

Those interested in the furtherance of international peace find themselves running counter to a cry for protection of the home market. This cry grows out of the wage fund theory. Much conflict is engendered between peoples by reason of the assumption that markets are restricted through a limited money fund. Nations clamor for a so-called "place in the sun" because of the fear of increased population. This grows out of the doctrine of Malthus that there is less food proportionately with the increase of population. Even people of intellectual capacity fall into error along this line. Recently a gentleman interested in mankind above material progress raised this question at a meeting: "With the eradication of war and the removal of disease, what will we do with over-crowded populations like China?" Statements like these go far and wide without challenge.

With the wage fund theory and the doctrine of Malthus commonly accepted we find various remedies suggested. Some would eliminate the free use of machinery. Others call for group organizations of all kinds to restrict the assumed pressure of forces like limited wage funds and population pressure. Of course certain group organizations like labor unions are not accorded the same degree of social respectability as others in this state of strain and struggle. But all of these considerations presume a state of struggle and conflict to be the inevitable natural order. The means advocated to meet the situation are instrumentalities of warfare. The expression "survival of the fittest" connotes a state of social warfare and excuses many anti-social conditions.

Never in the history of mankind has there been any doubling of populations every twenty-five years. Take Great Britain and Ireland in the flourishing era of industrialism:

How Poverty Census

<i>Destroys</i>	Year	England and Wales	Scotland	Ireland
<i>Civilization</i>	1801	8,892,536	1,608,420	
	1811	10,164,256	1,805,864	
	1821	12,000,236	2,091,521	6,801,827
	1831	13,896,797	2,364,386	7,767,401
	1841	15,914,148	2,620,184	8,196,597
	1851	17,927,609	2,888,742	6,574,298
	1861	20,066,224	3,062,294	5,798,967
	1871	22,712,266	3,360,018	5,412,377
	1881	25,974,439	3,735,573	5,174,836
	1891	29,002,525	4,025,647	4,704,750
	1901	32,527,843	4,472,103	4,458,775
	1911	36,070,492	4,760,904	4,390,219
	1921	37,885,242	4,882,288	

According to Malthus, England and Wales should double every twenty-five years. Nine millions in 1801 should be 18 millions in 1826, 36 millions in 1851, 72 millions in 1876, 144 millions in 1901 and close to 288 millions in 1921. In five turn-overs or times of doubling, Scotland should be:

1,600,000
3,200,000
6,400,000
12,800,000
25,600,000

Ireland should be:

6,800,000
13,600,000
27,200,000
54,400,000
108,800,000

However, wars, disease and immigration could be cited as great forces thwarting the operation of Malthus.

*How Poverty
Destroys
Civilization*

Let us turn, therefore, to a new field of investigation. Before doing so, however, why not ask ourselves a few questions. How does it come that in all the history of man prior to Malthus, there has never been any injunction in religion or philosophy against the danger of over-population. Does food increase or decrease with population where access to natural resources is not restricted? Is it not apparent that many nations like the United States are capable of producing enough food to supply all the peoples on earth? What a small area the United States is when compared to the rest of the world! What tremendous food possibilities exist everywhere in the Arctic, Torrid and even Temperate Zones unused and undeveloped!

First let us examine the United States itself. Rhode Island is the most densely populated state of the entire forty-eight. It has about 566 persons to the square mile. Massachusetts is second in density with about 480 persons to each square mile. New Jersey is third with about 420 to the square mile. New Jersey is by no means a state over-crowded with people. If you take the estimated population of the United States for 1928 and put every man, woman and child into the state of Texas, you would have a population of the density of the State of New Jersey and a great public domain of forty-seven states including giants like California, Montana, New Mexico, Arizona, Nevada, Colorado and many others calling for man power to develop their splendid resources.

But could one hundred twenty millions of people survive in Texas? Let us consider three small nations of modern Europe, all dense in population,—Denmark, Holland and Switzerland,—none of which has resources comparable to Texas. Denmark contains only 16,570 square miles and is slightly larger than our state

How Poverty of Maryland. It has practically no colonies. It has poor soil and
Destroys meager resources. In 1848 Prussia and Austria took from Den-
Civilization mark her most fertile section, Schleswig-Holstein. With the
handicap of poor soil and few resources, the Danish people went
to work and before the outbreak of the World War they had
eliminated poverty. This country attained enormous agricultural
productivity, sending products all over the world, notably from
her dairies. She depended on Germany and England as some of
her markets and despite the crippled markets since the war,
Denmark in 1927 had only 39,000 unemployed out of a popula-
tion of 3,500,000, or about one per cent of her population. In
Denmark there are 200.7 people to each square mile. In the
United States there is a density of population of about 36 to each
square mile. If it had the same density of population as Den-
mark, there would be over 600,000,000 in the United States.

Holland has an area about equal to Maryland, and a popula-
tion of 7,500,000 or 562 to the square mile. Holland, during the
war, suffered a great loss of ships and markets and was com-
pelled to keep an army mobilized. Her markets since the war
likewise suffered, yet in 1927 there were only 47,200 unem-
ployed, or about one-half percent of her population. She had
reduced unemployment steadily from 1924 when the figure was
102,225. Holland never clamored for a place in the sun, and if
the United States had the same density of population as Holland
there would be 1,900,000,000 people in the United States.

Switzerland has an area about equal to Denmark and a popula-
tion of 250 to the square mile. She has no colonial empire, no
mineral resources and a poor soil. Despite the burden of a mobi-
lized army during the World War and the loss of tourist trade,
there is today no unemployment in Switzerland. She has never
asked for a place in the sun, and if the United States had her
density of population there would be about 840,000,000 of peo-
ple in the United States.

None of these little countries has resources comparable to Texas with 120,000,000 of people in Texas. With a far greater density of population, Holland practically eliminated poverty under the adverse conditions of a war-stricken Europe. Switzerland with a density of 250 to the square mile over against the United States with only 36 to each square mile of its territory, disproves both the wage fund theory and the Malthusian doctrine.

Denmark proves by its pre-war elimination of poverty on a poor soil and with a population in need at the beginning that food is produced by people and that nature instead of forcing us to starve is ready to co-operate with every effort. It settles the wage fund absurdity for all time as do Holland and Switzerland, and demonstrates recovery from unusual war conditions which badly wrecked her markets.

What about China, India and Japan? The Chinese Empire has 93.7 to the square mile. New Jersey has 420. China proper has 244.7 to the square mile—about the same as New York State which has 226.8. India has 176.6 to the square mile, about the same as Pennsylvania, which has 171. Japan has 309.5, while New Jersey has 420. Germany has only 345 to the square mile—France 191.4.

“Place in the sun” means the privilege of exploiting the resources of weak nations for the benefit of a few powerful groups in great nations, if truth were told. We have seen the elimination of unemployment in the three small nations mentioned, despite adverse conditions and without the splendid natural resources of larger countries. Moreover we see it done with a much denser population. It demonstrates that food and wealth exchangeable for food come from mankind operating on natural resources and that the amount available is controlled by man himself, nature being ever ready and willing to co-operate.

How Poverty Destroys Civilization The maladjustment, therefore, is not the fault of nature. It is the fault of man. The failure lies not in methods of production. The injustice appears in the distribution of the product.

Let us examine for a moment a few ancient countries to see the causes of poverty in operation. In 1855 Mr. Buckle wrote a history of civilization. He started with four ancient nations in separate parts of the earth in all of which climate and soil were specially adapted to the production of great amounts of food and wealth with the least amount of effort. India in Asia, Egypt in Africa, Peru in South America, and Ancient Mexico in North America were the four nations. After showing nature's prodigality in these kingdoms in creating abundance of food, Buckle shows, however, that the great mass of the people were condemned to a galling poverty which finally destroyed the civilizations. Examine these few lines from Buckle:

"When the wages are invariably low, distribution of wealth being thus very unequal, the distribution of political power and social influence will also be very unequal. All of these ancient civilizations reached a certain development and fell away.

"Where we find the upper classes enormously rich, and the lower classes miserably poor, we find those by whose labor the wealth is created receiving the smallest share of it, the remainder being absorbed by the higher ranks in the form of either rent or profit.

"Inasmuch as the wealth of a country can only be divided into wages, rent, profits and interest, and inasmuch as interest is on the average an exact measure of profits, it follows that if among the people rent and interest are both high, wages must be low.

"Although the amount may be expressed in money, still the value of money, that is its purchasing power, is subject

to incalculable fluctuations arising from changes in the cost of production. *How Poverty*

*Destroys
Civilization*

"It is not therefore surprising that from the earliest period to which our knowledge of India extends, an immense majority of the people pinched by the most galling poverty and just living from hand to mouth should always have remained in a state of stupid debasement, broken by incessant misfortune, crouching before their superiors in abject submission and only fit to be slaves themselves or to be led to battle to make slaves of others."

We should note the lesson that inequitable dispersion of the products of labor from natural resources results in unequal control of political and social power. Does that exist in the United States? We heard of some very interesting statements along that line on the floor of the United States Senate a short time ago when the confirmation of Mr. Hughes for Chief Justice of the Supreme Court was up. The particular economic views of Mr. Hughes were discussed along with a decision of the United States Supreme Court on the valuation to be placed upon a franchise in the City of Baltimore owned by the Street Railways Company. The value of the franchise determined the rate of carfare to be charged to the car rider in Baltimore.

Distribution of wealth always controls distribution of social and political power. There is no instance on record where this has not been the case. We can easily understand why the people of India, Egypt, Peru and Mexico were debased. Inevitably there arose among them the division of caste because control of wealth and power excites contempt on the part of those holding the power for those crushed and galled by poverty. The unjust dispersion of wealth and power producing abjection on the part of the poverty stricken masses explains why it was so easy for conquerors to sweep over India, Egypt, Mexico and Peru.

*How Poverty
Destroys
Civilization* Certain laws illustrate conditions of distribution in India and the same situation was without doubt true of the other three kingdoms. The Institutes of Menu of India fix the lowest legal rate of interest for money at 15% and the highest at 60%. In 1855 when Mr. Buckle wrote, these laws were still the basis of Indian jurisprudence. Mr. Buckle said: "We know on very good authority that in 1810 the interest paid for the use of money varied from 36 to 60 percent." In India the legal rent that is the lowest rate recognized by the law and usage of the country is one-half of the produce. In England at the time he wrote, in 1855, rent for land was one-fourth of the produce, in France one-third, and in the United States much less, in some parts merely nominal.

Rent, whether an annual charge or a selling price, represents a share in the wealth produced for which there is no help or advantage given to the producer. It comes about through the exclusive control exercised by some one over the natural resources used by those engaged in creating wealth. Carlyle said, "The widow is gathering nettles for her children's dinner. A perfumed seigneur delicately lounging in the Oeil de Boeuf, hath an alchemy wherby he will extract from her the third nettle, and call it rent."

The unequal distribution of the product of toil gives power and arrogance to a few above and visits degradation to the many below. It causes fruitful civilizations to become stagnant and then decay.

This record of history explains the grave problem now facing the United States. It demonstrates that the basic cause of poverty at all times is the unfair division of the wealth of a nation, through the control of rent and profit by a privileged few.

The demonstration in current history given by three small nations of Europe—Denmark, Holland and Switzerland—

should convince any thinking person that there is no reason or excuse for poverty, especially in the United States. If it be said that the resources of the earth are limited, let it be remembered that there is no limit to the power of man once given liberty and the right of free access to the resources of nature. Mankind operating on natural resources furnishes all those artificial objects which we call wealth. There is plenty for all if opportunity is opened and not checked by rents and profits of extortionate degree. Let the products of labor freely flow to those justly entitled. Once the animal wants of man are satisfied, there is no limit to which he may go along intellectual, cultural and aesthetic lines. These are the lines upon which the significant phases of human existence were meant to be carried on. Their very existence shows that poverty is not a natural condition on this fruitful planet teeming with abundance of things placed here to satisfy man's material wants.

Is Poverty a Social Disease? In his brief history of civilization, Buckle draws as to India, Egypt, Peru and Mexico, the following valid conclusions:

"It is to be expected that the unequal distribution of wealth should cause the unequal distribution of power, and as there is no instance on record of any class possessing power without abusing it, we may easily understand how it is that the people of these nations condemned to poverty should have fallen into degradation from which they have never been able to escape. Great physical laws aided the accumulation of wealth; human contrivances prevented its dispersion.

"Upper classes had a monopoly of one of the most important elements of social and political power. The great body of the people derived no benefit from the national improvements. Hence the basis of the progress being very narrow,

*How Poverty
Destroys
Civilization*

the progress itself was very insecure. It was but natural that the whole system should fall to the ground.

"Long before the crisis of their actual destruction by invasion, these one-sided and irregular civilizations had begun to decay, so that their own degeneracy aided the progress of foreign invaders and secured the overthrow of those ancient kingdoms which a sounder system might have easily saved."

This is also the history of ancient Sumeria, Assyria and Babylon. It is true of ancient Rome with all its mighty, bloody splendor. Poverty of the great mass through unjust dispersion of wealth causes first stagnation, then decay and finally destruction.

This stagnation and decay is a disease of the body politic and results from poverty. It means ultimately the death of civilization. Poverty is the open mouthed, relentless hell which yawns beneath civilized society.

The Vedas, ancient books of India, declare that the wise crow, Bushanda, tells the eagle bearer of Vishnu that the keenest pain is poverty. Carlyle says that poverty is the hell of which the modern Englishman is most afraid. "God gives an appearance of beauty even to ugliness: but with poverty everything becomes frightful."—Boileau.

"The destruction of the poor is their poverty."—Proverbs.

Poverty is not merely deprivation. It means shame, degradation, the searing of the most sensitive parts of our moral and mental natures as with hot irons. It is the denial of the strongest impulses and of the sweetest affections. It means the wrenching of the most vital nerves.

The strongest of animal passions is that with which we cling to life. From the hell of poverty it is but natural that man should make every effort to escape. With the impulse to self preservation and self gratification, combine nobler feelings, and love as

well as fear urges in the struggle. Many a man does a mean thing, an unjust thing, a dishonest thing, a greedy and grasping thing, in the hope to place above want or the fear of want, mother or wife or children.

From this fear of poverty springs the lust for gain, to gratify which men tread everything pure and noble under their feet, to which they sacrifice all the higher possibilities of life, which converts civility into a hollow pretense, patriotism into a sham and religion into hypocrisy. It makes so much of civilized life an Ismaelitic warfare of which the weapons are cunning and fraud.

How sweet to the storm stricken seems the harbor safe from want! It is food to the hungry, drink to the thirsty, warmth to the shivering, rest to the weary, power to the weak, aye, knowledge to him with intellectual yearnings in his soul.

Thus the sting of want and the fear of want make men admire above all things the possession of riches. To become wealthy is to become respected, admired, influential. Get money—honestly if you can, but at any rate, get money. This lesson is daily and hourly dinning in the ears of the members of society. Instinctive and universal is the desire for approbation on the part of the child, the adult, the savage and the sage. The sense of power and influence, the sense of being looked up to and respected, the sense that wealth not only raises one above want but makes one a person of mark in the community in which he lives, is that which makes the rich man so loathe to part with his money, so anxious to get more.

In a state of dire poverty and great wealth unequally distributed there are naturally temptations operating upon the strongest impulses of human nature. The sanctions of law and the precepts of religion can affect but little such a situation. The wonder should be, not that men are so self seeking, so cruel, so ruthless, but that they are not more so.

How Poverty Destroys Civilization It is easy to understand why great social and political power passes to the class receiving a very large share of the distribution of wealth, and a deep sense of shame is visited upon those deprived of enough to meet the decent demands of human beings. Loss of self-respect, servility, disease, crime are the by products that flow from such a social and political condition as certain as the procession of the stars across the sky.

Hypocrisy and pretense are conjured up to justify the existence of these unnatural and unjust conditions. Here is the explanation of the popularity of wage fund theories and Malthusianism. What dammed error but some sober brow will bless it and approve it with a text! We parrot the cry of over-production and over-population but never stop to examine or consider the unsatisfied longing of human beings for mere food, shelter and clothing. We seek to justify by saying that population increases faster than subsistence and that the only equality would be equality of misery. We aim to justify our own injustice by making a false accusation against Mother Nature. "The survival of the fittest" and the "struggle for existence" are urged and spread but who of ancient Summeria, Chaldea, Egypt, Greece or Rome stands before us as a representative type of this fittest survivor in the struggle? We talk all this cant and still ask our children to pray that the kingdom may come and His will be done on earth as it is in Heaven. We wonder at crime in our midst; we organize committees of vigilance and provide heavier sentences in our codes and feel sufficiently self-righteous.

In the United States we have had for a brief period our boasted mass production in industry but with it there are increasing unemployment and short time employment. Most of our journals have been always talking prosperity. However observe an editorial of the San Diego Sun:

"PROSPERITY: FOR HOW MANY?"

How Poverty

"The United States stand ahead of all other countries in prosperity and material well-being. Our institutions are held to be vindicated because they have brought to us this unique degree of wealth. So runs the current rhetoric of spokesmen for things as they are.

*Destroys
Civilization*

"In his 'Republic' Plato suggested that a society which had achieved only material well-being was far from the top of the ladder of social and cultural development. He was harsh enough to suggest that pigs would be satisfied with material comforts.

"Those who honestly believe us to be prosperous have usually based their generalizations on bank and corporate earnings, on the number of sky-scrapers erected, on the number of automobiles manufactured, on the increase of millionaires and the emergence of billionaires. These are all significant symptoms to be sure, but no assessment of prosperity can well ignore the state of the mass of the people.

"The February issue of 'Facts For Workers' published by the Labor Bureau of New York City, gives us some cogent material bearing on the question. It computes a 'minimum of health and decency budget,' with the cost of living based on December, 1929, prices. The budget involves only a level of expenditure 'below which a family cannot go without danger of physical and moral deterioration.' It is estimated that such a budget for a family of five would run to \$2,069.09. The budget which would embrace a minimum of comforts runs from \$2,500.00 to \$3,500.00.

"How capable are the workers of attaining these standards by virtue of their income?

"According to the latest figures—1928—the average yearly wage was \$1,898. This figure includes, however,

*How Poverty
Destroys
Civilization*

many high salaried professional men and employees. In manufactures in 1927 the average yearly income of wage earners was only \$1,300. That is only little more than half the minimum of the health and decency budget.

"Several millions are out of work and earning nothing. Even many of the skilled workers do not attain an income sufficient to meet this minimum of a health budget, and few indeed can enjoy the minimum of a comfort budget.

"The lot of the small farmer throughout the nation has been notoriously bad since the deflation of wart-time prices. Professor W. E. Dodd of the University of Chicago fears our farmers may sink to the level of a servile European peasantry.

"We are here blaming no one, nor are we suggesting any remedies. We are confronting a fact, not a theory.

"American prosperity cannot be evaluated solely in terms of Bar Harbor, Miami, the New York skyline, or headlines about the income tax receipts. We must picture the common man as well. He seems a trifle down at the heels."

Thus runs the editorial, and immediately below it is:

"I believe that God made us the most influential nation in the world for a purpose, that is to keep our neighboring nations from murdering one another."—Gen. Smedley D. Butler.

In the San Diego Union we find:

"We also have a serious problem of unemployment, and unfortunately it is getting bigger. Nobody in the government seems to know that there is any unemployment problem or to be actively interested in it. No commissions are appointed to inquire into it."

Then follows a story about the shooting in a Chicago hospital of a gangster. He who runs may see the diseased condition of our social structure in the United States. Poverty and its offsprings, disease and crime, stalk abroad and it is time to stop and consider.

*How Poverty
Destroys
Civilization*

Poverty is the dread social disease which condemns mankind to degradation and servility; which causes civilization to rot and decay and then fall into wreck and ruin. It develops hypocrisy, greed, inhumanity, fawning, arrogance, slums, crime and finally destruction. It is a violation of natural law and the punishment comes certain, remorseless and pitiless. Show me a solitary civilization which has survived the disease of poverty. They either stagnate, rot and decay or become dormant like China, waiting to go either direction. All people in them suffer, the fortunate in their pride, arrogance and vanity, and the unfortunate in their degradation, because they blindly refuse to exercise the prerogative of human intelligence. Man, clad in a little brief authority, plays such fantastic tricks before high heaven as make the angels weep. Revolution or conquest sweeps along and after each dismal failure another race appears to start a new march toward the goal. Poverty in a nation violates the injunction: “. . . to do justice, to love mercy, and to walk humbly.” “Vengeance is mine and I will repay” is the stern mandate of nature to all who violate her immutable decrees.

Poverty is the social disease which makes the rise and fall of civilizations appear as the mutations of a pendulum, now swinging across the valley of benighted barbarism and up the gentle slopes toward the pinnacle of exaltation. Then, driven back by adverse influences, scourges, devastating wars, until gaining momentum, it swings back across the valley of barbarism and rises to the peaks of human discouragement. Here the pendulum pauses until the gravity of ambition again pushes it forward, thus imparting a reciprocal impulse which keeps it in perpetual

How Poverty Destroys Civilization motion. And over this line, like the wash of the restless sea waves, we see a track marked by proud monuments and mouldering ruins, the evidence alike of human aspirations and disappointments.

How can we end poverty? In order to cure poverty we must create a permanent job for everyone willing to work. Establish a condition where work is always available and a public opinion will grow up in which the loafer will not be tolerated. Who to-day has the courage to run counter to organized public opinion?

If its ideal is to be fulfilled, organized society owes a man an opportunity to earn a living. When men are at work, they become consumers, consumers demand goods, goods are produced by business and business must use labor. What should we do to promote jobs and to end unemployment? It is not enough merely to meet situations like the present. We must go to the root of things and prevent if possible the periodic unemployment which comes from time to time.

We should abolish war. We have got to think of war as a curse, a disease, a destroyer of organized society. The experience of great nations at the end of the World War, the unemployment, the wiping out of currency units, the tremendous depreciation of the currencies still existing, and the vast load of debt pressing down upon the people show conditions that produce poverty and its dread associates in the trinity—disease and crime. There are oceans of literature, facts and figures proving it beyond peradventure of doubt.

We must not only abolish war but also must eliminate monopoly and special privilege. Three great fields of monopoly check the natural and normal development of modern life and living: monopoly in land, monopoly in business, and monopoly in finance.

Such special privileges are a denial of equality of opportunity. They create habits of thinking wherein human beings are classi-

fied as superior and inferior—lords of creation and hewers of wood and drawers of water. Caste is the inevitable social product of such a condition.

*How Poverty
Destroys
Civilization*

Political power is exercised by those in enjoyment of special privilege to the end that governments, no matter what may be the form, tend to break down. In a foot note in his history of Ancient Rome, John Clark Ridpath said:

“The privileged classes of mankind have no conscience on the subject of their privilege. History does not afford a solitary example where a nobility or a monopoly ever voluntarily made restitution to society of the rights of which she had been despoiled. The iron jaws that close over the marrowy bone of privilege never relax until they are broken.”

Constantly recurring depression in business is one of the major factors of poverty.

There are only three ways in which men live—by work, by beggary and by extortion under legal forms. It has been said that a larger view would establish the proposition that workers support both the beggar and the one who extracts something for nothing by means of legal process. Of course, by workers, I mean all who contribute by manual labor, by management, by thought or even by entertainment to the production of things necessary to life.

Land, by which I mean our material universe, is the source of all employment. It is the indispensable element to all work. Land and labor—these are the two primary factors that by their union produce all wealth and bring about all material satisfactions.

As long as labor can obtain access to land there can be no scarcity of employment. The lessening of “effective demand” is the proximate cause of business depression. Scarcity of employment comes first. Desire for goods is always present and is keen-

How Poverty est in times of business depression or unemployment. The lessening of the opportunity to convert labor into the production of things lessens demand for goods. The person denied opportunity to produce has nothing to exchange for what he desires. Seasons of depression are seasons of bitter want on the part of large numbers—a want so intense and general that charity is called on to prevent actual starvation from need of things that manufacturers and merchants have to sell.

Destroys

Civilization

Adam and Eve were not bothered by scarcity of employment. Did the first settlers in this country or the men who afterward settled those parts of the country where land was still easy had know anything of it?

The exclusion of labor from land by high price demanded for it causes scarcity of employment and business depression. Whether in city or village, mining district or agricultural section, wherever you may be in a time that scarcity of employment is felt, you will find that labor is anxious to use but is debarred from use by high prices demanded by a non-user. Whether it be a vacant city lot, a vein of mineral, an ore bed, a water right or an area of land adapted to agriculture, the same is true.

Unused sites dot the continent from ocean to ocean, from Canada to Mexico in urban and rural sections. Where labor is shut out from these opportunities, it wastes. Desire may remain but "effective demand" is gone. Is there any mystery in the cause of business depression? Treat the whole earth as we have treated these natural resources and who of its teeming millions could find employment?

Idle sites mean idle hands and idle hands mean a lessening of purchasing power on the part of the great body of consumers that must bring depression to all business. Wage earners constitute over eighty per cent of all purchasers.

Lack of purchasing power is expressed most of the time in the colloquialism "lack of money." But money is only an intermediate, performing in exchanges the same office that poker chips do in a game. In the last analysis it is a labor certificate. The great mass of consumers obtain money by exchanging their labor or the proceeds of their labor for money, and with it purchasing commodities. Thus, what they really pay for commodities with is labor. Adam Smith said: "Labor was the first price, the original purchase money that was paid for all things." It is the final price that is paid for all things.

Every great period of land speculation that has taken place in our history has been followed by a period of business depression and it always must be so. The blight of our civilization is our treatment of land. It is that which is converting even the march of invention into a curse.

Charity and the giving of charity work may do a little to alleviate suffering, but they cannot cure business depression. They merely transfer existing purchasing power. They do not increase the sum of "effective demand."

Gradually abolish all taxes on the employment and products of labor. These taxes confiscate labor and labor products and no governmental service is rendered in exchange for these taxes. Gradually take economic or ground rent for the use of the community. Gradually abolish all taxes upon improvements for these are labor products and government adds no value to them but on the contrary they depreciate annually. Ground rent is a community creation and in justice belongs to the community. We have seen how its collection by private individuals causes depression.

To do this would make land speculation unprofitable, land monopoly impossible, and so open to the possessors of the power to labor the ability of converting it by exertion into wealth or

How Poverty purchasing power. The very idea of a man able to work and yet
Destroys suffering from want of the things that work produces should
Civilization seem as preposterous on earth as it must seem in heaven. Taking
ground rent for the community would render unto Caesar the
things that are Caesar's and unto God the things that are God's.
It would stop governmental confiscation by taxation as to labor
and labor products. It would end confiscation by private persons
of wealth production and exchange made possible through mo-
nopoly of natural resources.

This is the basic maladjustment of our social and political
organization. Abolish all other forms of monopoly and even end
war, yet this form of privilege alone would wreck civilization
with recurring depressions in business.

Abolish private appropriation of ground rent and the great
cause of war—economic exploitation of weak countries—will
die out. Abolish it and the commercial profiteer and the financial
buccaneer will have a new order of society with which to deal—
one in which they cannot operate. With the abolition of this
greatest of all forms of special privilege, the eyes of society will
be so opened that the ending of these other forms of special
privilege, if they then exist, is but a matter of legislative and
administrative detail.

You need no extension of government to abolish the greatest
form of special privilege. You disturb not one jot the right of
private property in land or products. You protect them against
these great fluctuations and flurries due to business depressions.
You simplify government by getting back to the principle that
the least governed is the best governed.

By changing gradually you avoid unnecessary shock to exist-
ing conditions, giving ample time to everyone to readjust.

Permanency and security of employment would certainly be
a state or condition in which life would be developed along

moral, educational, artistic and esthetic lines. When you have a struggle for bare existence, brutal selfishness and the fear of losing a job, you get a rather imperfect picture of human nature.

*How Poverty
Destroys
Civilization*

Inductive experimentation from lists of victims in this cruel social maelstrom gives a very distorted portrait of human beings. Wherever human beings are free from the fear of want, we see higher and nobler attitudes toward life, provided always that purpose, not idleness or vanity, is the moving conception of existence. Who can doubt that in the course of time and things, the fruits of a policy eliminating fear of want would richly repay any temporary inconvenience caused by its inauguration and gradual development? It is such a simple remedy and yet so far reaching in its effects! End all forms of taxation on business and human enterprise and take ground rent for the purposes of government. Ground rent is a value which the community creates and justly belongs to the community. In private hands it has been an instrument of oppression and furnishes the base of financial, industrial and land speculation which saps the roots of civilized society. To make the change in gradual steps will cause no great shock. It is restoration of economic justice and the foundations of justice are that no one shall suffer wrong, that the public good shall be promoted. There is no virtue so truly great and godlike as justice. To refuse to take economic or ground rent for the community is to promote and continue injustice and a nation founded upon injustice cannot stand.

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