

# Poverty and Old Gold

by SYDNEY MAYERS

THE incredible fortunes made in California when gold was discovered at Sutter's Mill are an intriguing part of the history and the legend of that fabulous state. But all of the gold in "them thar hills" does not consist of the actual precious metal. Even without lodes of glistening ore, much of the land itself—the soil, the earth, the location—has proved a considerable bonanza, as golden to the touch as anything King Midas ever handled.

A fascinating example of how great quantities of "gold" can be obtained, without digging a single mine-shaft, is the 83,000-acre Irvine Ranch of southern California. About eighty years ago, a gentleman named James Irvine acquired title to this enormous spread by buying up a number of old Spanish land-grants. However, unlike many impatient speculators who sold their holdings as soon as a profit could be realized, he rejected all offers for his; and the vast expanse, virtually intact, remains the property of his son and heir.

The ranch, first used for sheep and cattle raising, was gradually converted to agriculture, ultimately becoming a large-scale producer of fruit and produce. Then (as *Time* magazine blandly observes) "the real crop began coming in only a decade or so ago, with the steady outward creep of urban Los Angeles." As a result, a tremendous land-development program is now in progress, undoubtedly destined to bring millions of dollars a year to the land-owning family.

How much the land cost in the 1880's is not revealed, but presumably it was pennies per acre. Today it is estimated to be worth more than a billion dollars — a value created by the population of the community, who must nevertheless pay handsomely for

the privilege of living or working or just being there!

If the reader will journey in spirit southeastward, another tale will unfold, again demonstrating that land in one's possession and money in one's pocket are curiously synonymous phenomena. In Houston, Texas, will be found a highly successful millionaire-businessman named Hobart T. Taylor, Sr. A variety of financial interests have brought great riches and great personal prestige to Mr. Taylor, among them being the ownership of business properties, farms, and oil-wells.

It is interesting to note that Mr. Taylor is the grandson of a slave. When the grandfather was freed, he had the then princely sum of six hundred dollars, which he had earned through "private" labor. Counseled to invest the money in "some raw fresh land," he did so—and by the time he died in 1895, he and his son owned over 2000 acres of excellent farmland. The son added more, and prospered, so that when *his* son, Hobart, started out in life, it was with a foundation of a generous nest-egg and a lot of land on which to build the sizable fortune he has amassed.

Hobart Taylor has never forgotten the advice his father gave him when he set out: "... Keep our land. The Lord is making more people every day, but He's not making any more land. Wherever you go, keep your land. I've followed my dad's advice, and kept that land." Inevitably, it was good advice, and Mr. Taylor took it. That's one reason why he is a multimillionaire.

But let us go a bit further, and inspect the other side of the coin. Again we will see that, with prosperity such as has been described, always appears its constant companion — poverty. De-

spite today's highly-publicized "war against poverty," which clearly presumes the existence of this tragic condition, there still prevails a strange proclivity to disregard the fact. Poverty to many is merely a theoretical concept; a symbol almost as abstract as the  $X$  in an algebraic equation. How often one hears, "Of course there are poor people. Always have been and always will be. But, really, poverty is a comparative term—it simply distinguishes haves from have-nots. You know, no one has ever actually starved to death in the United States!"

I am sure those who utter such views are not lacking in personal compassion. But they seem habitually to equate poverty, *qua* poverty, only with large-scale calamity, like famine (India, China) or endemic hunger (Africa, South America). Since such extreme horrors are unknown here, they smugly assert there "really" is no actual poverty — not in America.

Let these complacent ones be disabused by a painstakingly researched "roundup" which recently appeared in *The Wall Street Journal*. In it, under the headline "Living in Poverty," reporters all over the country record their accounts of "How Some Americans Scrape By at Bottom of Economic Ladder." It is a heart-rending portrayal of the struggle for existence suffered by Negroes in Mississippi, southern whites in Chicago, Indians in Arizona, Eskimos in Alaska, and other inhabitants of a nation that "has no real poverty."

Shall we have a few examples? A family of five in Mississippi enjoys a total income of \$88 a month — in the form of food stamps. A seven-by-

twelve foot flophouse cubicle is the residence of a 76-year old Philadelphian, who sadly observes, "The living isn't so good; sometimes I just sit down and cry." A migrant worker at a sleazy California labor camp seldom earns more than expenses, even when the tomato crop comes in. A poverty worker in Texas, describing the plight of Mexican-American farmhands, says, "... people are literally starving to death here." A Tennessean who emigrated to Chicago made \$35 the first week — \$20 went for rent, leaving \$15 to support a family of eight. An ex-coal miner in Kentucky, who has not worked since 1965, remarks, "I'm just a dead man walking." Enough?

These are individual cases, to be sure, but their misery has a lot of company. As the *Journal* points out, "... there still exist pockets of poverty scarcely noticed by society, let alone attacked, although the 'war' on poverty is three years old. For some families in these localities, the \$3,000 annual income generally recognized as breaching the poverty barrier would be a fortune." The mayor of La Joya, Texas, exclaims, "If ever there was poverty, these people have it. My God, something should be done."

President Herbert Hoover described prohibition as an "experiment noble in motive." So, too, is the war on poverty — but it is doomed to failure just as surely as was the earlier "noble experiment." Poverty can be eradicated only by striking at its cause: the ignominious system of private land exploitation which inevitably drives wages to the point of mere subsistence. That is the "something" to be done.

A new edition of the HGS booklet is available on request and copies are being mailed to all members of the school. It contains such late reports and information as the address of the Costa Rican extension, with Carlos A. Riveros as Executive Director. Though less than a year old this extension is already publishing its own periodical, *Ideas Economicas*.