

# Rich Man - Poor Man



## PROGRESS GUIDE COURSE IN ECONOMICS

HELP WANTED: MEN OR WOMEN, light factory work, no experience necessary, 85c an hour. Ideal working conditions.

**W**ANT ADS like this appear every day in almost every newspaper in our industrial areas. Eighty-five cents an hour—\$34 for a 40-hour week! \$44.20 for a 48-hour week for a girl who doesn't know the difference between a drill press and a clothes press!

These are lush times. Everybody ought to be rolling in luxury. But are we, in fact, really wealthy today? Or is there still much poverty among a great many people?

In 1936, 46.5%—almost half—of all families in the United States had incomes of less than \$20 a week; the average was about \$12 a week. Some families—over two million of them—were struggling along on less than \$20 a month!<sup>1</sup>

At this time we had just started to climb out of the depression. Conditions are much better today, aren't they? Let's look at some later figures and find out!

At the beginning of 1942, according to the Department of Labor, 24% of all factory workers were paid less than \$20 a week; 26% received from \$20 to

\$30 a week. In other words, half of all manufacturing workers received wages of \$30 a week or less. At this time we were at the beginning of the "war boom." Mr. Kaltenborn and Mr. Pegler were sharpening their pencils and beginning to compute labor's tremendous earnings. This was the day of Labor's Triumph—at \$30 a week or less!

And yet, according to the Department of Labor estimates, \$30.37 a week is the minimum requirement for the maintenance of a family of four. Therefore, in 1942 at least half of all American factory workers were earning less than enough to support themselves and their families.

Of course, wages began to rise in 1939. They rose on the average of 63.4c to 85c an hour. But the cost of living—the real barometer of national prosperity—also rose, 15% above former levels—and so spoiled the picture of prosperity being painted by newspaper and radio economic experts. Real wages, therefore, adjusted to the new cost of living, actually increased from 64 to 72 cents, an advance of about 8%. In other words, wages were not keeping pace with living costs.<sup>2</sup>

But taxes were. They boomed with

the addition of the Victory tax, increased income taxes or withholding taxes, increases in hidden sales taxes and various other direct or hidden levies. Therefore, we see at once that for better than 50% of the workers, the average 8% which they gained was more than discounted.

When this "war boom" ends, when the country returns to peace-time production and salaries cease to be based on the "cost-plus" figures of emergency production, will wage levels remain where they are now, or will they drop to pre-war figures?

Dr. George Gallup wondered, too, and asked the question. The answer, coming from the usual statistical cross-section audience, is that 85% of the American people *do not* expect present wage levels to be maintained. They expect, in fact, a *wage cut* of at least 40%.<sup>3</sup> The inexperienced drill-press operator, who now boasts of earning \$34 a week, will be getting only \$20.40—if, indeed, she is lucky enough to be considered for any employment when the country is full of returning service men, many of whom will be experienced machinists.

After the war, then, we shall, no doubt, settle down to our old economic ratios of wealth and poverty—the rich becoming richer and the poor holding on for dear life to a W.P.A. or its enlarged successor doling out rations to the "unfortunate third" who are still waiting for Freedom From Want.

Of course we recognize that under war-time conditions some are now earning high wages, but what can those

earning good money now expect later, and what is in store for those who are now only getting by?

REAL PROGRESS and real prosperity, of course, are not the products of war. Only man is destructive; science never is. Long before the era of the Munich beer-hall, scientific achievements amazed the world. The primitive man who discovered the principle of the wheel was in his time a greater inventor—in his contribution to the science of power—than the Wright brothers who invented the airplane. The electric light which we now consider as novel as the bricks in the wall, the automobile, telephone, radio, television, plastics, and corresponding improvements in medicine and surgery—these were mere drops oozing from the faucet of man's pre-war ingenuity.

Behind this faucet lay the almost limitless oceans of our immense natural opportunities—61% of the world's oil supplies, with reserves of 20 billion barrels; 40% of the world's iron and copper; great quantities of coal, aluminum, sulfur, manganese and magnesium; great forests, lakes and rivers; wheat, corn, oats, barley—an almost inexhaustible treasure chest of essential mineral, agricultural and power-producing resources. We are, indeed, a wealthy nation!<sup>4</sup>

Why then do we still have poverty? Why do half our workers grub along with less than the bare necessities of life?

In former days people were taught that disease was a visitation of God's

wrath on a sinful world. Medical science has shown us the fallacy of this concept, and has proved that disease is a manifestation of man's ignorance of the physical laws of life.

Likewise we have too long accepted poverty as an inescapable condition of life; we have believed, verily, that the poor we shall always have with us. Economics—the science of making a living—shows us that poverty, like sickness, is the result of our unsound thinking, of faulty reasoning, of ignoring the basic facts of living.

Economics is not an abstruse, metaphysical science understood only by doctors of philosophy. It is not a kind of magic that requires retorts and test-tubes, delicate instruments and specialized knowledge. On the contrary, economics is a study of ordinary people in everyday activities—of the farmer at the plow, the mechanic at the bench, the coal-miner with his pick and the housekeeper with her market basket. It deals with you and me, with us and ours, with our jobs, our homes and our loved ones. It is as simple as that.

But its very simplicity is one cause of its general neglect. We do not gaze with awe at the sun and moon, for they are ever present. We do not compute the air we breathe in terms of cubic centimeters, or the rain and snow in dollars and cents per square inch. But in the day when the keepers of the house tremble and the strong men bow themselves, when the grinding ceases and the grasshopper is a burden—then we shall seek an answer to

our ills. Then we shall turn to economics.

But *this* is the day of salvation from the troubles that might follow the war and its swollen standards. This is the appointed time to study the science of economics. With this thought in mind, the editors of *PROGRESS GUIDE*, in collaboration with the Henry George School of Social Science, begin in this issue a series of ten lessons in economics and social philosophy.

For our text we shall use *Progress and Poverty* by Henry George, a book that has sold more copies than any other book on economics and ranks among the world's ten best sellers. We select this book because it has stood the test of time. "It would require less than the fingers of two hands," wrote John Dewey, "to enumerate those who, from Plato down, rank with Henry George among the world's great social philosophers."

The first assignment will be the reading of Chapter II, "The Meaning of the Terms." The questions appearing at the end of this article are intended to stimulate rereading of certain passages in the text which may not have been fully understood, and to form an informal review of the main thoughts of the chapter. Extra question sheets, providing space for answers, will be sent on request, without charge, by *PROGRESS GUIDE*. In this way several people may form a *PROGRESS GUIDE* Study Group for the purpose of discussing these lessons together.

In the next issue this lesson will be

discussed and new material, hitherto unpublished, will be added to help the student gain a better understanding of the text. Questions from readers pertaining to the lesson will also be answered.

The course will be conducted throughout in the spirit expressed by Henry George: "The place I would take is not that of a teacher, who states what is to be believed, but rather that of a *guide*, who points out what by looking is to be seen.<sup>5</sup> . . . I propose to beg no question, to shrink from no conclusion, but to follow truth wherever it may lead."<sup>6</sup>

PROGRESS GUIDE informal study groups may include men, women and young people in all walks of life. Like the air we breathe, economics has a constant and ever-present influence on our daily lives. Economics affects everyone, regardless of occupation or position in life. Those who understand economics have greater opportunity to improve their present status and to insure a better future for themselves and their children.

In order to assist readers, PROGRESS GUIDE will supply *free* a Group Leaders' Study Kit for each lesson, containing a complete outline of the lesson in easy-to-use form, as well as questionnaires and other material for individual members of groups. PROGRESS GUIDE Study Groups may be made up of neighbors, club members, high school or college students or of any group that finds it convenient to meet regularly once a month. The

subject is so close to the welfare of everyone that tradesmen, clerks, professional men, secretaries, laborers, craftsmen and executives can unite in a single group and benefit equally from the course.

A special invitation is given to men and women in the Armed Services to form PROGRESS GUIDE Study Groups so that they may prepare *now* for post-war security.

Those interested in forming Study Groups should address PROGRESS GUIDE, Economics Editor, 545 Federal St., Chicago 5, Illinois. Please indicate size of group so that sufficient material may be forwarded . . . absolutely free.

#### REFERENCES

- 1—*Statistical Abstracts of the U. S. Department of Commerce, Washington, D. C., 1940: p. 316.*
- 2—*American Federationist, Vol. 49, No. 1: p. 5.*
- 3—*Chicago Daily News, Nov. 10, 1943.*
- 4—*Progress Guide, Vol. 5: p. 436.*
- 5—*Science of Political Economy, p. xxxi.*
- 6—*Progress and Poverty, p. 13.*

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